

Leicester
City Council

**MEETING OF THE ECONOMIC DEVELOPMENT, CULTURE AND
TOURISM SCRUTINY COMMISSION**

DATE: WEDNESDAY, 27 MARCH 2013
TIME: 5:30 pm
**PLACE: THE OAK ROOM - GROUND FLOOR, TOWN HALL,
TOWN HALL SQUARE, LEICESTER**

Members of the Committee

Councillor Waddington (Chair)
Councillor Bhatti (Vice Chair)

Councillors Bhavsar, Cassidy, Chaplin, Chowdhury, Naylor, Shelton and
Porter

Members of the Commission are invited to attend the above meeting to
consider the items of business listed overleaf.

For Monitoring Officer

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PUBLIC SESSION

AGENDA

1. APOLOGIES FOR ABSENCE

2. DECLARATIONS OF INTEREST

Members are asked to declare any interest they may have in the business on the agenda, and/or indicate that Section 106 of the Local Government Finance Act 1992 applied to them.

3. MINUTES OF THE PREVIOUS MEETINGS

Appendix A

a) The minutes of the meeting of the Joint Budget Meeting of Economic Development, Culture and Tourism Scrutiny Commission and Transport and Climate Change Scrutiny Commission held on 7th January 2013 are attached, and Members are asked to confirm them as a correct record.

b) The minutes of the ordinary meeting of the Economic Development, Culture and Tourism Scrutiny Commission held on 16th January 2013 and 6th February 2013 are attached, and Members are asked to confirm them as a correct record.

4. QUESTIONS, REPRESENTATIONS OR STATEMENTS OF CASE

The Monitoring Officer to report on the receipt of any questions, representations or statements of case received in accordance with Council procedures.

5. PETITIONS

The Monitoring Officer to report on the receipt of any petitions received in accordance with Council procedures.

6. SCOPING DOCUMENT FOR REVIEW ON TOURISM

Appendix B

The Chair of the Scrutiny Commission submits a scoping document for the proposed scrutiny review on the effectiveness of current and planned strategies to encourage tourism in Leicester.

The City Centre Director will provide a response.

7. CITY DEAL UPDATE

The Director, Planning, Transport and Economic Development, will provide an update on the Leicester and Leicestershire City Deal proposal.

8. LEICESTER EMPLOYMENT LAND

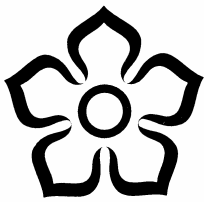
The Director, Planning, Transport and Economic Development, will provide an update of employment land and premises requirements for the city, and approaches the council and its partners are taking to unlock and bring forward employment land and premises for business development in line with the recently adopted Economic Action Plan.

9. MARKETING OF HAYMARKET

Appendix C

The Director of Property submits a report that outlines the recent marketing history of the former Haymarket Theatre.

10. ANY OTHER BUSINESS



Leicester
City Council

Appendix A

Minutes of the Meeting of the
TRANSPORT AND CLIMATE CHANGE SCRUTINY COMMISSION

Held: MONDAY, 7 JANUARY 2013 at 5.00pm

P R E S E N T:

Councillor Waddington – Chair

Councillor Bhatti
Councillor Chaplin
Councillor Naylor
Councillor Porter
Councillor Shelton

Councillor Cassidy
Councillor Clayton
Councillor Newcombe
Councillor Sandhu

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1. ELECTION OF CHAIR

Councillor Waddington was elected Chair for the meeting.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Aqbany, Bhavsar, Dr Chowdhury, Marriott, and V. Patel.

3. DECLARATIONS OF INTEREST

Councillor Cassidy declared an Other Disclosable Interest in relation to agenda item 5, “City Deal”, in that he was a Board member of the Leicester and Leicestershire Economic Partnership and a Board member of Leicestershire Promotions.

Councillor Shelton declared Other Disclosable Interests as follows:-

- a) Agenda item 4, “2013/14 Budget Proposals”, in that he used the facilities at Evington Leisure Centre at a concessionary rate; and
- b) Agenda item 5, “City Deal”, in that he was a Board member of Leicestershire Promotions.

In accordance with the Council's Code of Conduct, these interests were not considered so significant that they were likely to prejudice the Councillors' judgement of the public interest. They were not, therefore, required to withdraw from the meeting.

4. 2013/14 BUDGET PROPOSALS

The Strategic Director of City Development and Neighbourhoods presented a report seeking the views of the Joint Scrutiny Commissions on the draft budget plans for the Economic Development, Culture and Tourism and Transport and Climate Change portfolios.

It was noted in the report summary that the draft budget proposals were presented for consultation and that scrutiny comments would be collated for onward submission to the City Mayor and Executive, and consideration by Council.

The budget approach for each portfolio was reported as a portfolio overview, together with the schedules of proposed reductions; Equality Impact Assessment summaries; and standard forms for each proposed reduction item. In respect of the Equality Impact Assessment summaries it was noted that further detailed assessment documents were available for inspection on request.

The Assistant City Mayor; Culture, Heritage, Leisure and Sport was invited to present details of the portfolio overview insofar as it related to the remits of the Joint Scrutiny Commissions.

The City Mayor was also invited to answer questions put by Joint Commission members.

The following questions and concerns were raised in respect of the budget savings proposals as listed:

- Identify further savings from De Montfort Hall, Curve and Phoenix and in-house staffing, including options for greater sharing of management, staff and systems. (CN2)

The strategy of continued reduction of direct support for these venues was recognised. Further information concerning the total proposed reductions and the previously agreed reductions for 2013/14 and 2014/15 were requested. It was considered that the recent review of funding to the venues had showed that the venues were very different, and the way in which the overall reductions in the budget had been divided, could have very different impacts on the venues.

It was noted that during the review there had been an intention to see some back office functions merged had been identified together with a potential move towards the creation of a single management structure for two of the venues. The possibility for fundamental changes in the governance of the venues in the future was recognised.

Regular reports on the proposals for implementation of the grant reductions and the reorganisation of the venues were requested by the Economic Development, Culture and Tourism Scrutiny Commission.

In reply to a question from a Commission member, the City Mayor clarified the future marketing of the former Haymarket Theatre. It was recognised that difficulties were experienced, by virtue of the building's inflexibility, position and internal structural and health and safety issues. It was requested that a status report on the prospects of the former Haymarket Theatre be submitted to a future meeting of the Economic Development Culture and Tourism Scrutiny Commission.

- Charge £1 per visit to over 60's living in the city for use of leisure facilities, replacing the current free access. (CN3)

The Chair commented that although this was outside the scope of the Joint Commissions' remit members would be invited to make comments on the proposed budget saving proposal. Observations raised were that the impact would be most directly felt by users whose continued health and fitness is a priority for the council and NHS in Leicester.

It was also considered that no decision should be taken on the issue until there has been consultation with and responses from The Forum for Older People, City Council health colleagues, and NHS colleagues within the city. The Joint Commission also considered that charges should not be introduced where visits to sports and leisure centres had been prescribed by GPs within the city in order to help raise take-up of exercise and fitness prescriptions.

- To cease providing local discretionary half-fare concessionary bus and rail travel before 9.30 am for those of state pensionable age (PTED 1)

The City Mayor replied to questions and comments in respect of the above proposal and members recognised that the existing regime was more generous than similar schemes within other local authorities, however it was considered that there may be significant groups who would be adversely affected, including users of leisure facilities under the CN3 heading above, and people going for hospital or other medical appointments.

It was reported in response to those concerns that a survey would be undertaken to find out who might be mostly affected by the proposal. This initiative was welcomed by members. It was considered that the proposal should be further considered following the budget consultation process, consultation with the Forum for Older People, and the results of the survey having been collated and analysed.

- Other issues concerning the budget proposals

The Joint Commission discussed the city centre budget and the review of funding of a place marketing strategy was noted. It was requested that a progress report on the strategy be submitted to a future meeting of the Economic Development, Culture and Tourism Scrutiny Commission. The appointment of an Interim Director of Property Services was welcomed in the context of the need to protect, rationalise and get the best use and revenue from the very widespread council asset portfolio.

The proposed reductions in the budget for transport to school/college for students including those with special needs were raised. It was considered that the potential impact on transport concerns in the city should be referred to the Transport and Climate Change Scrutiny Commission for comment.

The Joint Commission also discussed the consultation process that had been undertaken. Concern was expressed that the choice offered in the budget consultations had been too inflexible and allowed for too narrow a set of options. The Chair indicated that she would formally request a review of the way in which consultation options are presented, to include a wider look at the effectiveness of the consultation process.

RESOLVED:

- 1) that the Overview Select Committee be asked to consider the following views of the Joint Scrutiny Commission, and advise the City Mayor of the Scrutiny function's view of the budget proposals:
 - a) In respect of budget reduction proposal CN3; regular reports on the proposals for implementation of the grant reductions and the reorganisation of the venues be submitted to the Economic Development, Culture and Tourism Scrutiny Commission to include details of the total proposed reductions and also those reductions previously agreed for 2013/14 and 2014/15.
 - b) In respect of budget reduction proposal PTED1; the proposal should be further considered following the budget consultation process, consultation with the Forum for Older People, and the results of the survey having been collated and analysed.
- 2) that a status report on the prospects of the former Haymarket Theatre be submitted to a future meeting of the Economic Development Culture and Tourism Scrutiny Commission;

- 3) that the proposed reductions in the budget for transport to school/college for students including those with special needs be referred to the Transport and Climate Change Scrutiny Commission for comment;
- 4) that a progress report on the city centre budget, place marketing strategy and property management generally be submitted to a future meeting of the Economic Development, Culture and Tourism Scrutiny Commission; and
- 5) that the way in which consultation options are presented be reviewed to include a wider look at the effectiveness of the consultation process, be reviewed.

5. CITY DEAL

The Strategic Director of City Development and Neighbourhoods presented a report which outlined the invitation made to the Council and other partners in the Leicester and Leicestershire LEP area to submit a city deal bid to Government and summarised the progress to date.

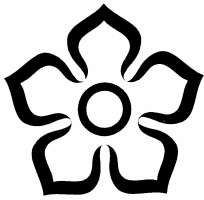
It was reported that work was progressing to submit an expression of interest to focus on infrastructure to unlock employment land. The key elements of the deal were clarified, including the process for the devolution of all relevant future national funding sources to a local level.

In respect of the next steps, it was reported that the expression of interest was being finalised and would be submitted by 15 January 2013. The results of the Government's assessment process would be announced during the week beginning 11 February 2013 and a final deal for the shortlisted areas would be negotiated by November 2013.

The Joint Commission noted the position and update.

6. CLOSE OF MEETING

The meeting closed at 7.20 pm.



Leicester
City Council

Minutes of the Meeting of the
ECONOMIC DEVELOPMENT, CULTURE AND TOURISM SCRUTINY
COMMISSION

Held: WEDNESDAY, 16 JANUARY 2013 at 5.30pm

P R E S E N T:

Councillor Waddington (Chair)
Councillor Bhatti (Vice Chair)

Councillor Bhavsar
Councillor Chaplin
Councillor Cassidy
Councillor Porter
Councillor Shelton

In attendance:

Sir Peter Soulsby – City Mayor
Councillor Westley (for item 65)

* * * * *

57. APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Naylor.

58. DECLARATIONS OF INTEREST

Members were asked to declare any disclosable pecuniary or other interests they may have in the business on the agenda.

Councillor Cassidy declared an Other Disclosable Interest as he was a Board Member of the Leicester and Leicestershire Enterprise Partnership.

Councillor Chaplin declared an Other Disclosable Interest as her daughter worked at De Montfort Hall, though no monetary gain was received by Councillor Chaplin.

Councillor Shelton declared an Other Disclosable Interest as he was a Director at Phoenix Square and also a representative for Leicester City Council, though he approached the meeting with an open mind.

In accordance with the Council's new Code of Conduct the interests were not considered so significant that they were likely to prejudice Councillor's

judgement of the public interest. Members were, therefore, not required to withdraw from the meeting during discussion of the business on the agenda.

59. MINUTES OF THE JOINT HERITAGE, LEISURE AND SPORT / ECONOMIC DEVELOPMENT, CULTURE AND TOURISM SCRUTINY COMMISSIONS

RESOLVED:

That the Minutes of the joint meeting of the Heritage, Leisure and Sport Scrutiny Commission and Economic Development, Culture and Tourism Scrutiny Commission held on 14 November 2012 be agreed as a correct record.

60. MINUTES OF PREVIOUS MEETINGS

This item was deferred.

61. QUESTIONS, REPRESENTATIONS OR STATEMENTS OF CASE

There were no Questions, Representations or Statements of Case.

62. PETITIONS

There were no Petitions.

63. THE LEICESTER AND LEICESTERSHIRE ENTERPRISE PARTNERSHIP - ECONOMIC GROWTH PLAN 2012 - 2020

Mr Andrew Bacon, Chair of LLEP (Leicester and Leicestershire Enterprise Partnership) and Mr Mandip Rai, Head of LLEP were welcomed to the meeting.

Mr Rai gave a presentation on the Economic Growth Plan, copies of which had been circulated to Commission members.

The presentation included the background to LLEP and it was noted that LEPs had been introduced by Government through the Localism Act and that the LLEP was one of 39 national LEPs formally recognised by the Government.

The Commission were informed of the partnership roles between business, local authorities, higher education and further education. And the role of the LEP to lead economic growth was highlighted. It was noted that this was achieved by engaging with business, local authorities, and the voluntary sector with a view to influencing Government economic policy including national contracts and facilitating local partnership working and relations with Government. The investing of LLEP funding and aligning partner resources to achieve economic growth was discussed and the Commission were informed of the following key achievements

- Significant private sector engagement (7,000 businesses)
- Successful EZ bid for MIRA Technology Park
- £25m RGF secured through Rounds 1 & 2

- £8m RGF Round 3 – SME Support Programme
- Growing Places Fund - £13.4m
- Pinch Point Programme funding Tranche 1 and 2 (M1 / A50)
- Asset Assisted Purchase Scheme - £5.5m lending and 75 direct jobs
- LEP Start Up, Capacity Fund, Core Funding and GTF
- Better Business for All (BBfA) - national pilot
- Higher Apprenticeship Fund – 140 apprenticeships
- UK Skills Show – over 2,500 visitors
- Inward Investment – Open for Business / UKTI / MIPIM 2013

Mr Rai drew the Commission's attention to the importance of joint working and referred to a venn diagram showing the links between City, District and County leadership with private sector leadership. In this regard the area based priorities, sector based priorities and LLEP priorities were described and the requirement for a co-ordinated approach was highlighted.

In respect of the future ambition of the LLEP it was reported that by 2020 it was envisaged that 25,000 private sector jobs would be created, £2b of private sector investment would be secured and the GVA would be increased by £4b to £23b.

The strategic objectives to match skills supply with demand, increase availability of employment land & infrastructure, promote enterprise growth and investment, and to match available capital to enterprise growth were referred to and the aims of the LLEP were listed, which described how each of these four strategic objectives would be met.

Mr Rai was thanked for his presentation and for addressing the Commission.

Mr Rai and Mr Bacon invited questions and comments from Commission members.

Commission members referred to the joint working arrangements and it was considered that a clearer understanding of the role in building partnerships was required. The City Mayor's Action Plan and the link to the City Deal initiative was referred to as examples of the need for such greater clarity, it being noted that the method and process for feeding in information, initiatives and ideas to the work of the LLEP were not always clear, particularly relating to property and land negotiations.

The requirement to develop intelligence around skills was highlighted as a principle area of work by Commission members and the LLEP were encouraged to increase their work in developing this area of their strategy. Having regard to the design skills sector it was reported that there had been a significant increase in design and manufacturing opportunities and the Commission welcomed the LLEP's approach in this area.

Having regard to the equal working opportunity statements within the Growth Plan, the Commission referred to the omission of women workers and further to the engagement of young people, particularly those aged 19 to 24 years who

were in need of employment opportunities. The Commission expressed a view that the support and advice for those younger people should be increased to ensure their engagement and to increase their opportunity of finding work.

The LLEP were encouraged to enhance their contact with the council in view of the opportunities to assist with achieving targets against performance indicators and to increase advocacy arrangements. The possible link to the Leicester to Work initiative was reported and it was suggested that greater joint working could be undertaken to assist the delivery of that initiative.

The Chair thanked Mr Rai and Mr Bacon for their attendance and requested that they attend a future meeting to update the Commission on their achievements in due course.

64. ECONOMIC IMPACT OF AUDIENCE EXPENDITURE BY VENUE

Mr Chris Maughan, De Montfort University, was welcomed to the meeting.

Mr Maughan gave a presentation on the economic impact of the review of grants to the major city arts venues including the process of measuring economic impact and its application to previous research.

It was reported that the context for the report was to achieve the following overall aims of the research:

- To complement knowledge and understanding evidenced in the scene setting paper following the report by the Director of Culture and Neighbourhood Services dated 12 September 2012
- To engage with each organisation in order to develop an understanding for each of their recent performance – programme and management
- To gauge what levels of support the three organisations enjoy, in particular from the public, the public sector and the private sector, in return for the programmes of work and additional services that they offer.
- To integrate these and other perspectives into an examination of their collective and individual contribution to the cultural life of the city – their ‘value for money’.
- To provide recommendations to the council and to the management of each organisation, based on the outcomes of the research, on how they might deliver increased value for money.

In respect of the research findings, financial charts showing income and expenditure, performance over time, learning & participation data and the leverage of additional income were also submitted.

Mr Maughan also stated that the economic impact of audience expenditure and the audience perspective of spending, together with the business perspective, had been analysed as part of the research. The process for measuring the economic impact was also described within the presentation.

In view of the data collated the following observations were submitted for comment:

- Audience expenditure had contributed to the local economy.
- Of the 'out of venue' expenditure impact in the city 64% was derived from non-city residents.
- Developing the strength of the 'tourism' offer should increase the long term economic impact.

In discussing the above data the Commission accepted the need to undertake research to identify the nature of the offer to which the non-city audience will respond.

Business leaders had also been asked to provide an assessment of the value and benefit of each venue to the city, and their attitude generally to public expenditure on the arts. Information showing the respective data collected was discussed.

In concluding the presentation Mr Maughan asked the Commission to note that the Corporate Plans for the venues needed to include as part of their strategy for developing audiences, actions that would develop the wider 'tourism' offer for the county and 'non LE' audiences.

It was reported and accepted that that this planning process would need to show how the synergies they share with others in their operations and audience could be exploited as part of developing that offer. It was noted that the relationship with the business sector had great potential but that it required more attention, in order to develop the synergies around tourism packages. In light of the current financial pressures, it was also considered this depth and form of evaluation should be completed by all in the cultural sector in due course.

Mr Maughan was thanked for his presentation.

The Commission noted the detailed information and data submitted in support of the review and the Chair reminded members that the Commission had previously adopted specific recommendations related to this topic.

65. ANY OTHER URGENT BUSINESS

CALL-IN OF CITY MAYOR'S DECISION – GYPSY AND TRAVELLER SITES IN AND AROUND LEICESTER

The Chair approved the above item as Urgent Business by virtue of Council Procedure Rule 12 (f) under which the call-in required referral to the relevant Scrutiny Commission prior to its onward referral to Council .

The Director Planning, Transportation and Economic Development presented a report advising that the Call-in had been made on the grounds that "the residents of Beaumont Leys and Abbey Wards have raised a number of concerns that leads us to believe that the decision should be reconsidered".

The Commission referred to the report and appendices which included the detailed previous assessments of all sites considered together with a plan of those sites, the previous report to the Commission and the Executive Decision Report and appendices, and the City Mayor's full record of the decision.

The City Mayor was invited to address the Commission. He reminded members of the due process that had been undertaken and particularly referred to options considered to deal with the high number of unauthorised encampments in the city in recent years, and to the identified need for Gypsy and Traveller accommodation to comply with Government Guidance.

The City Mayor also referred to the extensive public consultation exercise that had been undertaken between February and July 2012 and the analysis arising from that consultation. He commented that in addition to the Officer recommendations arising from the consultation exercise, it was clear that the views of this Scrutiny Commission had been taken on board.

In order to clarify the reason for the Call-in the City Mayor commented that although the views of the ward members were understood, he did not consider that any new evidence had been forthcoming since the conclusion of the consultation exercise and previous scrutiny undertaken by the Commission.

The Chair invited Councillor Westley to address the Commission as one of the ward members calling in the decision.

Councillor Westley explained that although the need for Gypsy and Traveller accommodation had been identified and realised, residents of Beaumont Leys and Abbey Wards had raised concerns principally on traffic infrastructure grounds. Councillor Westley advised that more information on those concerns would be raised in the debate at Council on 24 January 2013.

In conclusion and in summary the Chair referred to the previous work of the Commission concerning the issue and reminded members of the referral of the report to Council in accordance with Council Procedure Rules.

Councillor Waddington MOVED and Councillor Bhatti SECONDED:
"that the City Mayor's decision in respect of Gypsy and Traveller sites in and around Leicester be supported".

On being put to the vote the motion was carried.

RESOLVED:

that the City Mayor's decision in respect of Gypsy and Traveller sites in and around Leicester be supported.

66. CLOSE OF MEETING

The meeting closed at 7.55 pm.

Highfields MAC with regards to Appendix B on the agenda.

Councillor Chaplin declared an Other Disclosable Interest as she had been contacted by Highfields Community Centre with regards to Appendix B on the agenda, but had not responded to a telephone message that was left.

In accordance with the Council's new Code of Conduct the interests were not considered so significant that they were likely to prejudice Councillor's judgement of the public interest. Members were, therefore, not required to withdraw from the meeting during discussion of the business on the agenda.

69. MINUTES OF THE PREVIOUS MEETING

Councillor Chowdhury asked that the minutes of the meeting held on 20th December 2012 be amended to reflect his attendance at the meeting.

RESOLVED:

that the minutes of the previous meeting of the Economic Development, Culture and Tourism Scrutiny Commission meetings held on 28th November 2012 and 20th December 2012, be agreed as a correct record, subject to the amendment above.

70. MATTERS ARISING FROM THE MINUTES

Minute 42 – Scrutiny Review of Grants to Curve, Phoenix and De Montfort Hall

The Chair had received correspondence from Chris Maughan, Consultant, who had asked for feedback from Scrutiny Commission Members on the review process and work undertaken by Chris and his team. Chris stated in his letter that there had been little precedent on the study of value for money of arts organisations in receipt of public sector support and was interested to know how the work had been received.

Members' feedback was positive on the whole, though they stated the misinformation of data during a presentation was regrettable, and had not helped discussion, though a full amendment and amplification had been received. Members also said that future research projects should have information on what other work is being done by the Council or any other organisation locally to avoid duplication. Members said the review had raised questions that needed to be worked on over time, and that information on the three venues should be brought to future Scrutiny Commission meetings to be assessed as to whether the review was productive.

Members asked that the results from the ODI Team's project also be brought to a future meeting of the Scrutiny Commission.

The Chair summarised Members' responses by stating there was an enormous amount of data that required careful analysis by departments, and that recommendations in the final report needed to be looked at by venues and department in terms of the agreements and arrangements and service level

contracts with two of the venues, and the more direct relationship with De Montfort Hall. She added that following on from the report, all three venues had been asked to each develop a three-year business plan, and an action plan was required to reach out to under-represented groups and out of county residents through the development of the tourism offer in the city. The Chair said further work to look at the expenditure of County residents was required, as the subsidy the city council provided to county residents was not met by county residents' expenditure.

Jerry Connolly, Members Support Officer, said that a huge methodology had been put in place over the course of the work. He added that the review had got the three venues talking to each other in a way they hadn't done previously.

71. QUESTIONS, REPRESENTATIONS OR STATEMENTS OF CASE

It was reported that no questions, representations or statements of case had been received.

72. PETITIONS

It was reported that no petitions, in accordance with the Council's procedures, had been received.

73. LEICESTER MARKET REDEVELOPMENT

Mike Dalzell, Head of Economic Regeneration, made a presentation on where the market redevelopment proposals were, on which consultation was scheduled to run until 22nd February 2013. Also present at the meeting were Nigel Stephenson and Adam Parker from Greig and Stephenson Architects. The presentation is attached to the minutes for information.

Mike said a number of sessions were being held directly in the Market Square, talking to traders and to shoppers and explaining the scheme. Detailed one-to-one discussions with food hall traders and the architects had explored what traders' requirements were when they moved into the new hall. Details of the meetings and the formal consultation process could be found on the website, at <http://www.leicester.gov.uk/consultation/>

Given the nature of the scheme, Mike said a lot of stakeholder engagement was being undertaken. He added that a positive meeting with the Chair of the Civic Society had been held, and the scheme would be taken to the next Conservation Advisory Panel meeting on 13th February 2013. Regular updates had also been presented to Market Forum meetings on which traders were represented. Mike said officers had spoken with English Heritage who were less enthusiastic about the scheme as they liked the Market Corner, with the side of the Corn Exchange exposed. Officers were waiting to receive feedback from them. They had asked if the existing footprint could be used to house the food hall traders, but the suggestion would mean the loss of the new square, and traders would have to be decanted into temporary accommodation, which would be expensive. The City Mayor said English Heritage were consultees,

and it was a matter for the Planning Committee to decide the validity of English Heritage concerns. With regards to the work required on the Corn Exchange, the City Council owned the Freehold and a discussion was required with the tenant as to who would pay for the works. Nigel Stephenson added that a conversation with the brewery who owned Molly O'Grady's was very positive.

Mike discussed the design of the new building and subsequent development of the new square. The East facade had been requested to be re-aligned with the line of the Corn Exchange by Conservation Officers. The roof of the new build would be in scale with the existing roof line, and materials used would be sustainable. Mike said solar glass would be used to provide a comfortable environment inside the building.

Ongoing discussions were being held with planners, as the rear of the Corn Exchange housed the services for Wetherspoons, including fire escape, air conditioning units etc. Nigel Stephenson added there was an option for the west facade facing the new square to have an extension for A3 use, or for extending Wetherspoons, but it would be necessary to create a screen to accommodate Wetherspoons' services.

Mike said the scheme was still subject to change, and at the end of the consultation a report would be given to the City Mayor, after which it was hoped a planning application would be submitted early March. Mike said by the end of 2013 the new Food Hall will be constructed, and the scheme would be complete within two years under the timetable.

Councillor Porter stated the Market Corner had cost £600,000 to develop, and people had been pleased that the side of the Corn Exchange had been opened up, but the new building would result in the loss of the view. He added the new contemporary building would contrast negatively against the old Corn Exchange, and the design should work and blend with the Corn Exchange. Councillor Porter asked if the traders could be housed in the short-term in a temporary facility at the back of the Corn Exchange. Nigel stated that the traders had survived in dire circumstances, and they should only have to move once, as they would not survive if they had to be moved twice.

The Chair thanked the architects and officer for the presentation.

Councillors Naylor, Porter and Clair, and the City Mayor left the meeting at this point and were not present for the remainder of the meeting.

74. ECONOMIC DEVELOPMENT - EMPLOYMENT ISSUES

75. LEICESTER ADULT SKILLS AND LEARNING SERVICE

The Director, Learning Services submitted a report which outlined a proposal to reconfigure the Multi-Access Centre service in order to align with the Leicester to Work initiative and achieve efficiencies, progress on ESOL developments, and Community Learning purposes and priorities. The report was presented by Kerry Gray, Interim Head of Service, Adult Skills and Learning.

Kerry updated the Commission on the current position of the eight Multi-Access Centres (MACs) in the city, and since April 2012, following the end of Working Neighbourhoods Fund (WNF), the MACs had been funded out of the Skills Funding Agency Community Learning grant. Six of the centres were directly managed by the City Council, and the MACs in Braunstone and Highfields were sub-contracted. Kerry said the £119,000 funding for Highfields included admin support and accommodation for adult learning courses, which was different to Braunstone's contract.

She said it was proposed to consult on a service organisational review in two phases to achieve £416,000 of savings in staffing reductions and a further £92,760 in other efficiency savings. She added that the target date for implementation was the end of July 2013 for Phase 1, and September 2013 for Phase 2.

Kerry said the service was looking to reduce the staffing working on 1:1 consultations in the six MACs under the control of the Council, and the staffing reductions referred to advisers and managers in the service; admin staff were not included in the review. The Chair asked for a report to be presented to a future meeting of the Commission on proposals for spend of the remaining WNF money held by the Council.

Kerry, responding to Members' questions, said all options had been considered. She said completely stopping the support for the unemployed by the Adult Skills and Learning Service would not be desirable, but it was important to focus activity and the available funds on the most effective parts. Kerry added the service was looking at the impact of the services delivered, and it was proposed to redesign and rebrand the Workclubs to provide regular contact with an adviser and rapid response if required - for example if a person needed advice for a job interview. Kerry said advisers would be qualified to at least NVQ Level 3.

Margaret Libreri, Director, Learning Services, said there had not been a sufficient overarching strategic view of initiatives, and the report presented to the Commission had begun to tackle the big issues. As stated in the report the previous management review which had begun in May 2011 would not have achieved the savings required, and the proposed staffing structure would not have been fit for the the service needs, therefore the decision had been made to stop the review. Margaret said the move of the Adult Skills and Learning services to Learning Services was a pragmatic decision to address immediate operational issues, and the service would look at where LASALS best fit. Margaret said that wherever the service sits its connections with other sections in the Council were important, i.e. the Economic and Neighbourhood agendas. Mike Dalzell added that Economic Development had the broad responsibility for the Learning to Work programme, though it was a corporate initiative.

Councillor Chaplin left the meeting at this point.

The Chair said the Council was moving in the right direction in terms of how

adult education was dealt with by the authority, and asked for information on the proposed staffing structure, and the expertise required. Members also requested information on employment and requested a presentation on the Leicester to Work programme.

Kerry then presented information on ESOL services, which covered the volunteer ESOL tutor project as reported at the November Scrutiny Commission meeting, the central referral mechanism and citywide ESOL database, and publicity.

Kerry informed Members that partners to the project, including Leicester College, VAL and Unionlearn, would each develop one part of the volunteer ESOL tutor training course, and the service was confident training would be piloted at the beginning of May 2013. VAL and Unionlearn would recruit the participants.

Kerry said the LeicesterShire Learning Network (LSLN) would close at the end of the financial year 2012-13. She added that as previously reported, there was not much enthusiasm by other providers of ESOL for the Begin model as used in Nottingham, which would require significant resources. Kerry added, however, that the Skills Funding Agency held significant amounts of data on ESOL participation, and she had requested information from them and would analyse the position of ESOL supply and demand against census figures later in the year.

Kerry said that with regards to publicity, learners usually engaged through word of mouth, not printed materials. She said that marketing ideas would be launched at the start of the next academic year,

The Chair said Nottingham had a more co-ordinated approach and there was no infrastructure in Leicester. Kerry responded that progress had been made with mapping providers and services to avoid duplication in the city.

Kerry then reported on the Community Learning Funding which had been confirmed for the next two academic years. The report contained information on community learning enrolments, and stated the service was on target to match enrolment numbers on 2011-12. Kerry drew Members' attention to the issues that were to be addressed in the report, and the table of figures on how the money was spent previously.

Councillor Dempster, Assistant City Mayor for Children, Young People and Schools informed the meeting that the Head of Finance (Financial Strategy) had focussed recently on the general fund, but would look at the corporate recharges for Adult and Skills and Learning, as the Council needed to know what was being provided with the budget.

The Chair asked it be recommended the budget be looked at closely, as there were concerns over the percentage being taken from the budget in charges.

The Chair thanked the officers and Councillor Dempster for the information.

RESOLVED:

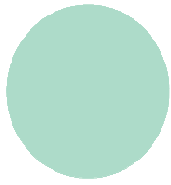
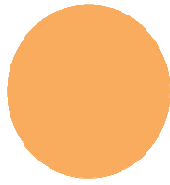
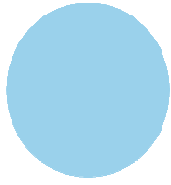
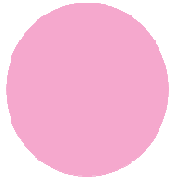
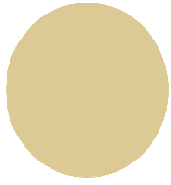
1. That the report be noted.
2. That a report be brought to a future meeting of the Commission on proposals for spend of the remaining WNF money held by the Council.
3. That information on the proposed staffing structure and expertise required be brought to a future meeting of the Commission.
4. That employment figures from the MACs be presented.
5. That a presentation on the Leicester to Work programme be delivered to the Scrutiny Commission meeting.

76. CLOSE OF MEETING

The meeting closed at 7.34pm.

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Appendix B



Leicester City Council Scrutiny Review

The effectiveness of Leicester's tourism strategy

DRAFT

1. Title of Proposed Scrutiny Review

The effectiveness of current and planned strategies to encourage tourism in Leicester

Proposed by - Councillor Sue Waddington

2. Rationale

Members should outline the background to this review and why it is an area worthy of in-depth investigation.

The Economic Development Culture and Tourism Scrutiny Commission has not yet looked directly at issues relating to the promotion of tourism within Leicester.

However, a previous review about support for the three major city centre arts venues – De Montfort Hall, Curve and Phoenix – looked at the economic impact of these venues, including spending by tourists and visitors and the effectiveness of marketing.

And a significant review of the council's events and festivals programme has also been completed which included work on the economic benefits of the programme.

Two significant opportunities for an expansion of tourism within Leicester and Leicestershire have emerged in recent months. One is the confirmation of the discovery of the remains of Richard III.

A second is the ambition of the National Rail Museum at York to build a Museum annex at the southern end of the Great Central Line.

The decision to bid for Leicester to be the City of Culture 2017 provides the opportunity to further boost the local tourism economy by highlighting the city's history and reinforce its identity to a national and international audience.

The city's strong heritage, sport and leisure agenda further enhances the range of tourism events, attractions and venues.

The individual marketing of these projects should be set within the context of the full range of visitor attractions and experiences within Leicester.

There is already an existing set of attractions, ranging from the cultural to the commercial (a range of city centre shopping options) which should be considered to be part of a mosaic building up an image of Leicester being an attractive place to visit. Tourism should be seen as an important element of the city's integrated place marketing strategy encompasses includes inward investment, business and leisure tourism and the city's residents.

3. Purpose and Objectives of Review

Members should consider what the objectives of the review are

To examine the extent to which a holistic image of the city as an attractive commercial, cultural, heritage, sport, leisure and creative place to visit, is being achieved, and who are the major participants and partners involved in this enterprise.

To review the role of the city council as a leader of this effort to define an image of the city as a tourism attraction, including examining the relationship between marketing and promotion functions.

To review the role and functions of groups and organisations with a similar interest in promoting and supporting Leicester as a significant tourism destination

4. Methodology/Approach

Members should consider how the objectives of the review will best be achieved and what evidence will need to be gathered from officers and stakeholders, including outside organisations and experts.

A number of initiatives within the council and with partners are being developed. Once work on these projects has been developed they should be called in and reviewed.

Evidence from the Three Venues review, including financial data relating to spending by visitors to those venues, should be included as part of the Commission's review.

Similar data from the events and festivals review should also be included.

Significant partners should be asked to provide evidence, including

The City Mayor and relevant executive members

Leicester Chamber of Commerce

Sarah Harrison as city centre director lead officer on tourism and place marketing for Leicester.

LeicesterShire Promotions Limited

Hammerson Limited (Highcross)

Cultural Partnership

Heritage Partnership

LATCH (Represents the hotels in the city centre)

Sports Partnership

5. Expected length of the review

Members should anticipate the likely length of the review being proposed.

It is expected that the review will start in early May and last three months

6. Additional resource/staffing requirements

All scrutiny reviews are facilitated by Members Support/Scrutiny Support Officers. Members should anticipate whether any further resource is required, be this for site visits or independent technical advice.

No additional resourcing requirements will be needed for the review

7. Risks

Members should consider whether there are any additional risks to undertaking this scrutiny review, for example whether there is a similar review being undertaken by the Executive or whether a national or local change in policy or service may supersede the need for this review.

It is expected that any work being undertaken by or for the Executive will feed into this review.
Timing of the start of the review should take into account the extent to which current work on this issue by and for the authority has been developed.

8. Further Supporting Evidence

Members should consider whether they would like to add further information to support the case for a scrutiny review.

Before approving this scoping document the Scrutiny Commission should ensure the following boxes should be completed in conjunction with the relevant officers:

9. Likely publicity arising from the review

Members will wish to anticipate whether the topic being reviewed is high profile and whether it will attract media interest. If so, this box should be completed with help from the relevant officer in the Council's PR and Media Team.

10. Divisional Comments

Scrutiny's role is to influence others to take action. It is, therefore, important for the Scrutiny Commission and OSC to understand the Division's view of the proposed review. The following box should be completed in sufficient time for the Commission to consider as part of its deliberations whether to proceed with the review.

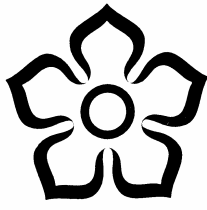
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The Department agrees to assist in the proposed review.

Departmental Comments Completed by Sarah Harrison

Job Title City Centre Director

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Leicester
City Council

SECOND DESPATCH

**MEETING OF THE ECONOMIC DEVELOPMENT,
CULTURE AND TOURISM SCRUTINY COMMISSION
27 MARCH 2013**

Further to the agenda for the above meeting which you should have already received, please find attached the following:-

7. CITY DEAL

The Director, Planning, Transport and Economic Development, will provide an update on the Leicester and Leicestershire City Deal proposal.

Attached is supplementary information in relation to this item.

Please ensure that you bring these papers with you to the meeting

8. LEICESTER EMPLOYMENT LAND

The Director, Planning, Transport and Economic Development, will provide an update of employment land and premises requirements for the city, and approaches the council and its partners are taking to unlock and bring forward employment land and premises for business development in line with the recently adopted Economic Action Plan.

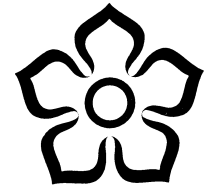
Attached is supplementary information in relation to this item.

Please ensure that you bring these papers with you to the meeting

Francis Connolly
Democratic Support
Internal 39 8812
External (0116) 229 8812

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Planning, Transportation and
Economic Development



Leicester
City Council

Economic Development, Culture and Tourism Scrutiny Commission Briefing

Date: 27^h March
From: Andrew Smith
Tel/Ext: 7201

City Deal Update

The Leicester and Leicestershire City Deal Expression of Interest

Following submission of an expression of interest in January 2013 (see Appendix) the Cabinet Office has now agreed that the Leicester and Leicestershire City Deal proposal can be taken forward for more detailed development.

Agreeing the City Deal

1. City Deals will be agreed by Government in batches as opposed to concluding and announcing all 20 City Deals in one go. Leicester and Leicestershire City Deal negotiations are to be concluded by the end of 2013.

2. The key dates are as follows:
 - March – July: Leicester and Leicestershire continue to develop the evidence base and propositions to strengthen the City Deal
 - August – October: Intensive City Deal negotiations with Government
 - October/November: Leicester and Leicestershire City Deal team will present the City Deal final proposal to an ad-hoc Ministerial Group (AMG) including the Deputy Prime Minister and Cities Minister
 - By end of 2013: Detailed implementation planning and conclude negotiations

Constructing the City Deal

The final deal itself will comprise:

- **Flagship policy:** Main policy/policies that seek to tackle our identified “central economic challenge” outlined in the Expression of Interest i.e. unlocking and accelerating the development of employment sites through provision of site infrastructure and use of public sector land including Homes and Communities Agency land.
- **Proposals/Policies linked to local Economic Strategy:** The City Deal also allows us to develop a small number of complimentary proposals/policies, that are linked to other priorities in the local Economic Strategy.

The flagship policy will be constructed by accessing relevant policy levers in the core package and additional freedoms/flexibilities above-and-beyond the levers sets out in the core package.

Other priorities, drawn from the Economic Strategy, that we wish to tackle through the City Deal will be able to draw on relevant proposals within the core package. The package was released on 8th March and includes potential activity connected with infrastructure, private sector growth and the labour market. Further work will need to be carried out to assess the relevance of these core package issues to the local economic context.

The **finalised deal** would comprise our flagship policy proposal and policies for a further 5-7 local economic priorities.

Ministers have stated that there will be no automatic entitlement to the policy levers within the core package. When constructing the City Deal all areas will need to “make the case” as to why they need the package of policy levers being requested.

Stakeholder engagement

A key task will be to show the extent of private sector input into the City Deal – both in shaping the focus of the deal and crucially, in securing active commitment from the private sector in delivering the deal (money, resources, expertise etc).

Governance

A strong governance model will be required for the City Deal. The model needs to enable binding decision making and reassure Ministers that the City Deal will be delivered. Further discussions will be needed with local partners to consider alternative options that will be fit for purpose for the local context.

Next Steps

A meeting of the City Deal officer group will be held later in March to develop a programme timetable for development of the final City Deal. The group will also consider the applicability of the core package offer, governance options and staffing capacity to finalise City Deal package.

Leicester & Leicestershire City Deal

‘Accelerating Prosperity’

Expression of Interest Submission

Section A: Summary information

A1. Proposal title:

Leicester and Leicestershire City Deal - “Accelerating Prosperity”

A2. Key partners involved in the proposal.

- Leicester and Leicestershire Enterprise Partnership (LLEP)
- Leicester City Council
- Leicestershire County Council
- Blaby District Council
- Charnwood Borough Council
- Harborough District Council
- Hinckley & Bosworth Borough Council
- North West Leicestershire District Council
- Melton Borough Council
- Oadby & Wigston Borough Council
- Leicester & Leicestershire Business Council
- Employment land developers and agents
- Government Departments (Cabinet Office, DBIS, DCLG, DFT)
- Public sector estate bodies including Homes and Communities Agency

A3. Local points of contact

- **Andrew Smith, Director of Planning, Transportation and Economic Development, Leicester City Council**
E mail: andrewl.smith@leicester.gov.uk ; Tel: 0116 2527201
- **Mandip Rai, Head of LLEP, Leicester & Leicestershire Enterprise Partnership (LLEP)**
E mail: mandip.raii@llep.org.uk ; Tel: 0116 2527312
- **Tom Purnell, Head of Policy and Communities, Leicestershire County Council**
E mail: tom.purnell@leics.gov.uk ; Tel: 0116 3057019
- **Christine Fisher, Chief Executive, North West Leicestershire District Council**
E mail: CHRISTINE.FISHER@NWLeicestershire.gov.uk ; Tel: 01530 454510

Section B: Problem definition

B1. What is the single economic challenge or opportunity that you want to address through a city deal? Why has this been chosen as the focus of your proposal?

A genuine opportunity exists for a City Deal to **accelerate by a minimum of 3 years** the Leicester & Leicestershire Enterprise Partnership's (LLEP) **ambition to create 25,000 new jobs, increase GVA by £4billion and lever over £2billion of private investment** in Leicester & Leicestershire by 2020.

To help new and existing businesses to invest, expand and thrive we need to deliver essential **infrastructure to unlock new development sites** and provide high quality connecting transport infrastructure. We believe a City Deal can make a real difference by accelerating the development of key employment sites and providing confidence for existing businesses to grow and new businesses to invest. Based on strong supporting evidence from the business community and development industry, together with some early examples of what we can achieve by working in partnership, we feel there is a compelling proposition that the City Deal will deliver a real step change in economic growth.

The Challenge

There has been a **significant fall in jobs** in the Leicester and Leicestershire economy over the period 2008 to 2011. Total employment in 2011 was **25,000** lower than in 2008 representing a **5% fall**, almost twice the national average. The majority of the jobs lost were in the private sector and almost 20,000 were lost in the following sectors:

Construction	-6,949 (-26%)	(National -14%)
Retail	-6,845 (-14%)	(National -6%)
Business administration and services	-6,088 (-15%)	(National -7%)

The Opportunity

- To exploit our locational advantage in the **centre of England** and access by rail to London in under **1 hour** to attract high value service sector jobs to Leicester City and grow the largest creative business cluster outside London
- To accelerate growth of our strong manufacturing sector (**13.6%** compared to 8.5% nationally). Our 2012 business survey indicates that **68%** of businesses in the sector are planning for growth
- To accelerate growth of our strong logistics sector (**11.9%** compared to 8.8% nationally). Our business survey indicated that **74%** of businesses in the sector are planning for growth. **90%** of England's population is accessible from our area by road within 4 hours
- East Midlands Airport in Leicestershire is the second largest freight airport in the UK and handles **300,000 tonnes** of cargo annually. This provides significant **export opportunities** through our unique trade links with global economies, particularly India and China
- To exploit and commercialise the cutting edge Research and Development expertise of our **three world class universities** (Loughborough, Leicester and De Montfort) that teach over **50,000 students**

Our recent Leicester & Leicestershire Employment Land Study has forecast demand for the period 2010 to 2031 for **210,800 sq. m. of offices, 167 ha of industrial land and 130 ha of**

strategic warehousing land. Unlocking and accelerating development on this scale would have a **transformative** impact on our economy including:

- Delivering Grade A office space to support the City Centre as a thriving commercial centre at the heart of the LLEP area and attracting and growing the professional and business services and creative sectors
- Providing industrial land across the LLEP area for existing and new manufacturing companies, particularly in the food and drink and high technology manufacturing sectors
- Providing strategic warehousing land across the LLEP area and in particular close to East Midlands Airport where a major Strategic Rail freight development has been proposed
- Accelerating the delivery of the Leicester Innovation Park and expansion of Loughborough Science & Enterprise Park to grow the R&D sector and increase university collaboration with industry

B2. Why can't this be taken forward by the private sector or through existing policy tools?

High costs and lack of finance for advance infrastructure has undermined the viability of development schemes leading to delays or failure of the private sector to deliver employment sites. This has led to a lack of certainty over delivery timescales and has severely limited the availability of high quality land and premises for new and existing businesses. This is severely impacting the growth of our priority sectors, particularly the land intensive manufacturing and logistics industries.

Strategic Infrastructure Planning

The lack of a strategic infrastructure plan for the functional economic area has resulted in a lack of coordination and prioritisation of resources to deliver strategic infrastructure needs. There is a gap in the current national planning policy framework for strategic infrastructure plans covering functional economic areas and we would seek, through the City Deal, for the Government to recognise our infrastructure plan as a local strategic document.

Private Finance and Bank Lending

The LLEP Chair and City Mayor recently met with the British Bankers Association and senior representatives of the six largest high street banks. The meeting concluded that the banks still regard development finance for advance infrastructure as 'high risk' even for schemes that have pre-let contracts. This policy failure will continue to stifle development therefore the Government policy should consider alternative infrastructure funding models including 'local infrastructure banks' which is effectively what our City Deal bid is proposing.

Public Funding for Infrastructure

Government policies on local authority funding for infrastructure and development do not assist joint working across functional economic areas. The emerging rules governing the recently introduced Business Rates Retention scheme and the existing Community Infrastructure Levy (CIL) for example do not incentivise local authorities to pool and align local resources and collaborate effectively to invest in strategic projects with wider economic benefit.

National capital funding streams for investment in infrastructure are made available across Whitehall Departments with varying timescales and there is a need for a longer term

commitment (minimum 10 years). Furthermore rules governing national funding streams such as Local Majors Transport, HCA and Regional Growth Funds should be simpler, more flexible and apply over longer terms to enable local areas to prioritise investment based on impact as opposed to rigid targets and complex monitoring requirements.

Public Sector Land

Currently public sector land is held by numerous local and national bodies and the use of this land to support business growth is uncoordinated. This restricts the ability to align these land assets and reinvest receipts at the local level to deliver business growth projects.

The failure of existing policies requires a new way of working involving the **public and private sectors working in partnership**. We strongly believe that public intervention and investment to deliver enabling infrastructure would make employment sites financially viable and provide the confidence for the private sector to invest and accelerate development.

The Government's Growing Places Fund (GPF) programme, devolved to the LLEP, is an excellent example of how a flexible funding stream with 'light touch' guidance and controls enables local bodies to deliver growth and jobs by unlocking and accelerating stalled developments. Within 6 months the following stalled schemes have now started as a result of our GPF investment loan:

- Ashton Green – investment in access road unlocked 5 hectares of city council industrial land to provide capacity for 700 jobs in the food and drink manufacturing sector
- Melton Office Park – investment in surface water pumping station unlocked 86,000 sq. ft. office development and capacity for 500 jobs
- Glenfield Park – investment in access road and other off-site infrastructure unlocked site to provide 1.2m sq. ft. industrial space with the potential to create 2,000 jobs

The high demand from developers for the LLEP's Growing Places Fund provides strong evidence that access to finance for advanced infrastructure through public sector intervention can unlock key development sites. The partnership has received loan bids exceeding **£60m against an available loan fund of £13m**.

Section C: Broad approach

C1. What broad approach do you intend to take to addressing the challenge or opportunity identified above?

LLEP partners currently have a limited programme of infrastructure support using local resources however this is not enough to deliver our growth potential and satisfy the demand highlighted in our employment/office land studies. **The ability to simplify and pool local and national resources and funding for infrastructure would represent a significant step change in our ability to unlock major employment sites.** Longer term commitment to public funding would also provide the support and confidence required by the private sector to invest in new development schemes which will support the growth of our priority sectors; manufacturing, logistics, financial and business services, creative industries and R&D. The case study of our Enterprise Zone is an excellent model of advanced infrastructure delivery

that we want to apply through the City Deal to accelerate development on other key employment sites.

Case Study:

LLEP Enterprise Zone (EZ) MIRA Technology Park (MTP) in Hinckley & Bosworth

The 80ha MTP development secured £19.6m RGF investment to deliver off-site enabling infrastructure. Without this investment the development would have taken at least 10 years to generate the private investment to deliver the major road improvements to the A5. The RGF has accelerated the development by at least 5 years and will deliver 2,000 high value jobs in the transport related R&D sector and lever over £300m private investment.

Our City Deal includes the following local 'offers' and Government 'asks':

Local Offers:

- **Strategic Infrastructure Plan:** We will agree a long term plan for the LLEP area which sets out infrastructure projects prioritised by the scale of economic impact which will unlock development opportunities supporting economic growth.
- **Local Infrastructure Fund:** We will create a local fund in excess of £100m to invest in priority projects identified in the Strategic Infrastructure Plan. This fund would pool and align national and local sources of finance such as Growing Places Fund, strategic transport funding, pooled business rates growth, local authority capital funds and Enterprise Zone business rates. This will lever significant private investment.
- **Public Sector land:** We will co-ordinate public sector land assets to facilitate land assembly on key employment sites and reinvest capital receipts.

Government Asks:

- Devolution of all future national capital funding streams for infrastructure - Regional Growth fund, strategic transport funding, broadband, Green Deal, flood defence, HCA funding eg. Affordable Housing Programme.
- Cross departmental commitment to longer-term and certainty of capital funding over a minimum of 10 years to enable successful planning and delivery of infrastructure and provide confidence for prudential borrowing.
- Devolution of European Regional Development Funds for 2014-2020 to support infrastructure provision.
- Transfer of Homes and Community Agency (HCA) land assets to be managed by the host local authority including land at Abbey Meadows and Waterside in Leicester.
- Agree for the Government Property Unit to work to develop a clearer picture of all public sector owned land and have a closer working relationship with local estate holders to identify opportunities to develop new employment land opportunities.

The City Deal would have **immediate** short and medium term benefits by unlocking **four sites** that support the growth of our **priority sectors** with the potential of creating nearly 15,000 jobs which otherwise would not be delivered until 2020. The City Deal could **accelerate the delivery of these benefits** and we could see these jobs being delivered in as little as four years, **2017** as opposed to 2020.

Site 1: Leicester Innovation & Technology Park: 5 hectares site for R & D innovation site
Intervention required: To accelerate delivery HCA and City Council land consolidated under council ownership and receipts reinvested into site development. Funding for site access road required to release second phase of development.
Timescale: reduced from 8 to 3 year delivery
Sector Focus: R&D and high technology manufacturing
Economic Impact: 1,500 jobs, private investment of £50m

Site 2: Leicester City Centre Office Development
Intervention required: Acquisition and assembly of City Council/private sector land for Grade A office development. Funding for site clearance, relocations, gap funding and supporting transport infrastructure required. More flexible planning requirements for car parking
Timescale: reduced from 8 to 4 year delivery
Sector Focus: Financial & Business Services, Creative Design
Economic Impact: 2,000 jobs, private investment of £80m

Site 3: Strategic Rail Freight Terminal: alongside East Midlands Airport to develop 250ha distribution centre providing 6million sq. ft. warehousing space (subject to planning approval) and rail terminal for 750 ft. trains
Intervention required: Junction improvements M1 24 and new rail head
Timescale: accelerated delivery timescale – reduced from 10 to 5 year delivery
Sector Focus: Distribution & Logistics
Economic Impact: 6,000 jobs, private investment of £500m

Site 4: Loughborough Science & Enterprise Park – Total development of 155,000 sq. m of R&D space
Intervention required: Funding for access improvements, road extension and utilities provision
Timescale: reduced from 8 to 3 year delivery for initial phases
Sector Focus: R&D, advanced engineering & manufacturing
Economic Impact: 5,300 jobs, private investment of £225m

C2 How can this approach ‘do more with less’ by delivering greater efficiency in public spend or by leveraging new resources from the private sector?

The successful implementation of our City Deal proposition will secure substantial economic benefits in the form of business growth and job creation. The direct benefits to Government of our ‘asks’ will be the **efficient and accelerated delivery** of key infrastructure projects to support the delivery of the four priority sites identified in C1. A greater degree of local control, commitment and certainty of public funding will allow these schemes to be brought forward for development earlier. Certainty of public sector **investment** would also generate greater **private sector leverage**. This is one of the most significant barriers to attracting private investment in large scale schemes and setting out longer term plans for investment with defined public sector commitments will result in increased private sector leverage and an accelerated delivery timescale. The four schemes identified in C1 have the potential to leverage **over £800m of private investment** and create **nearly 15,000 private sector jobs**.

Consolidation and alignment of infrastructure funding and local control outlined in C1 would considerably simplify fund management and deployment leading to removal of duplication of effort and more efficient infrastructure delivery. Combination of existing and proposed funding streams would allow more strategic investment in priorities across the LEP area and would permit investment to be targeted at major strategic infrastructure challenges than would otherwise be the case. In addition our early investment in advance infrastructure will generate additional business rates growth for reinvestment.

Consolidated management of land assets locally would remove unnecessary duplication of effort with associated legal and other asset management costs. A good example is land held by the HCA at Abbey Meadows in Leicester which sits alongside council owned land both having their own estate management processes and costs. The proposed local reinvestment of receipts from Government property assets would incentivise local managers to ensure these resources are deployed as quickly as possible. Private sector investment would be levered more quickly through these proposals.

This City Deal will also deliver greater efficiency in public spending by reducing the demand for public services, in particular benefits and services associated with worklessness. We offer to evaluate the impact of our interventions through the City Deal to develop a full understanding of the savings to the public purse which will arise. We ask that the Government agrees to enter a dialogue with local partners about local retention of savings identified through that robust evaluation.

C3 What local resources do you expect to invest in addressing this problem?

- Combined use of local authority and LLEP staff resources
- Growing Places Fund
- Retained business rates including Enterprise Zone
- Pooled Leicester and Leicestershire business rate growth
- Capital programme resources including capital receipts from land sales
- Strategic transport funds
- Local authority property assets
- Private sector funds from developers and private equity funds

Section D: Expected benefits

D1 How do you expect your proposal to have an impact on local jobs and growth, and at what scale?

The City Deal will **enable and support** us to invest in the necessary infrastructure to accelerate the development of key employment sites and support the delivery our ambition to create **25,000 new private sector jobs**, increase **GVA by £4billion** and leverage **£2billion of private investment** in Leicester and Leicestershire by 2020.

The City Deal is one of a number of implementation tools for our wider economic strategy which clearly recognises the inter-dependencies between employment land, transport, housing, employment and skills and business support. We are developing a range of solutions to tackle these economic challenges, all of which are interconnected. The City Deal focus on employment land will have a major impact on local jobs and growth by:

1. Agreeing a Strategic Infrastructure Plan which prioritises key employment sites and related infrastructure investment
2. Targeting investment from a pooled infrastructure funds to priority projects
3. Coordinating the use of public sector assets to facilitate land assembly on key employment sites and reinvest capital receipts

The City Deal would have a significant impact on local jobs and growth. Unlocking the 4 sites below alone has the potential of creating nearly **15,000 jobs** and leveraging **over £800m of private investment**. The City Deal would also accelerate delivery from **2020 to 2017**.

Leicester Innovation & Technology Park

Sector Focus: R&D and high technology manufacturing

Economic Impact: **1,500 jobs, private investment of £50m**

Leicester City Centre Office Development

Sector Focus: Financial & Business Services, Creative Design

Economic Impact: **2,000 jobs, private investment of £80m**

Strategic Rail Freight Terminal

Sector Focus: Distribution & Logistics

Economic Impact: **6,000 jobs, private investment of £500m**

Loughborough Science & Enterprise Park

Sector Focus: R&D, advanced engineering & manufacturing

Economic Impact: **5,300 jobs, private investment of £225m**

Section E: Governance

E1. Over what geographical area will you address this problem? Why?

The City Deal would apply across the Leicester and Leicestershire area which is coterminous with the LEP area. The rationale for addressing this challenge across this area is because it functions as an integrated economic entity where over 90% of residents live and work within the LEP area. The challenge of delivering infrastructure to unlock key employment sites can only be tackled by the City, County and seven district authorities working together with the private sector. The outcome of this joint working will benefit the whole LEP area and its population of nearly one million people.

E2. What governance structures will ensure effective, binding and strategic decision-making across the relevant economic area?

This proposal builds on the good progress that has been made by the Leicester and Leicestershire Enterprise Partnership through collaboration between local authorities, other public agencies and the private sector. This has delivered some success in taking difficult LEP wide decisions such as the location of the Enterprise Zone in Hinckley and Bosworth where it was recognised this would have LEP wide economic benefit and the decision of the 9 local authorities to pool business rates. A further example is the investment of the £13m Growing

Places Fund which involves identifying and prioritising projects across the city and county against an agreed set of criteria based on economic impact and deliverability.

Notwithstanding the progress made, the elected City Mayor, County and district Leaders Partners are committed to undertaking a review of the governance required to deliver most effectively the economic growth priorities in this City Deal, covering form, scope and funding through a process of binding decision making. It is essential that we put in place strong, binding and transparent governance for the City Deal that is democratically accountable as follows:

- The LLEP will continue to provide overall strategic leadership for economic growth across Leicester & Leicestershire
- The governance model will have the ability to agree a strategic infrastructure plan, agree resources to be pooled and allocate these to priority projects

E3. How will you generate momentum in developing a workable city deal proposal?

- **Leicester & Leicestershire's political leaders** are committed to enhancing existing collaborative working which already takes place through the LLEP, to maximise the impact they can jointly make on the area's economic prospects.
- To harness our unique political and business leadership through the LLEP and strong local authority partnership working between the **first elected City Mayor outside London** and the two-tier local government system in the County
- The election of a **City Mayor** for Leicester has brought about quicker and more effective decision making and raised the profile of the area. This has benefitted the wider LEP area by making quick decisions on behalf of the accountable body for the LLEP. The Mayor has also engaged with Government about potential additional powers and this will be of benefit to the wider LEP area.
- There is a strong platform for **delivery expertise and capacity** provided through combined staffing resources in the LLEP Team and Local Authorities.
- Strong **private sector support** provided through the **LLEP and Business Council** which comprises of the Chamber of Commerce, Federation of Small Businesses, CBI, IOD and Leicestershire Asian business Association (LABA) will help engage the wider private sector to invest in unlocking development opportunities.
- Strong working relations with Whitehall Departments, particularly **DBIS, DCLG, DFT**, and with the Cities Team in **Cabinet Office**.

Economic Development, Culture and Tourism Scrutiny Commission Briefing

Date: 27th March 2013
From: Rachael Mkanza
Tel/Ext: 29 7271

Employment Land and Premises

1. Purpose of Report

- 1.1. The Scrutiny Commission requested a report for information on the issues relating to Leicester's employment land when the report on the sale of Ashton Green was considered on 12th November 2012. This paper provides an overview of employment land and premises requirements for the city and approaches that the council and its partners are taking to unlock and bring forward employment land and premises for business development in line with the recently adopted Economic Action Plan.

2. Summary

- Businesses which are expanding or locating in the city have a strong requirement for new fit for purpose accommodation and often require the development to be located at "prime" sites in order to be viable
- Some of the existing industrial and office buildings in the City are poor quality and are not always well located for business needs
- There is insufficient land to provide for all of the future industrial need within the city's boundaries and the council needs to work closely with adjoining authorities to identify and bring forward additional land for employment development
- In order to enable the development of these prime sites, infrastructure provision and site assembly is key, often requiring proactive public sector involvement where there are viability considerations

- The council is taking proactive steps, working closely with LLEP and other public and private sector partners to identify employment land and premises needs and support the development of new and growing businesses in the city and adjacent areas
- External sources of funding are being secured by the council, as well as bringing forward its own land and buildings for development to support and stimulate private sector investment
- Development of council led supported business workspaces meets key gaps in workspace provision
- Negotiations on new development schemes can deliver additional benefits to unlock and remove barriers preventing employment sites being delivered
- The development of business networks can bring together key businesses and other stakeholders to enable new site development and business investment /relocation

3.0 Employment Land and Premises Studies (See details in Appendix 1)

3.1 A number of employment / office land and premises studies have been conducted to better understand the needs of business, the barriers that they face in developing new sites, the identification of land for new development and opportunities to proactively develop new office/workspace.

- Leicester's Employment Land Study (ELS) 2006
- Housing Market Area (HMA) Employment Land Study 2008
- Housing Market Area (HMA) Employment Land Study 2012
- Leicester's Commercial Office Market Study 2012
- Individual studies to evidence workspace gaps e.g. Creative Industries

3.2 These studies consider both land within and outside the City boundary, recognising that the wider travel to work area catchment incorporates both Leicester and Leicestershire.

3.3 An Economic Assessment has also been carried out by the Leicester and Leicestershire Enterprise Partnership which supports the LLEP Economic Growth Plan.

3.4 The City Council recently published its Economic Action Plan which includes a number of evidence based proposals to promote the development of employment land and premises and support private sector investment.

4. Key Issues

4.1 From the studies and action plans shown above, the following key issues have been identified:

- More quality large scale employment land (totalling over 50ha) is needed to serve the City in the future
- There is insufficient land to provide this within the City's boundaries
- The council needs to work closely with adjoining local authorities to provide the land required
- Leicester needs to protect key employment sites, as there is a shortage of quality employment land
- A range of employment sites are required for all potential uses
- Much of existing office stock is lower quality
- There is a lack of new "A" grade high quality office space, particularly in the city centre, which needs a very proactive approach to delivering new development
- There are gaps in workspace provision (in particular for innovation/technology, creative industries and food and drink uses)
- Infrastructure provision and site assembly is key to all of the above
- Proactive business networks and relationship building with key employment sectors and potential investors is essential

5.0 The Availability of Employment Land

5.1 Although the City has over 560 hectares of existing employment land, it has very little remaining land on which to allocate new sites and is at least 50 hectares short of land that is required for the City area for the future to 2026.

5.2 The Council therefore needs to continue to work closely with adjoining local authorities, to provide sufficient new employment land adjacent to the City boundary. **Map 1** attached shows the Principal Urban Area and the location of existing and proposed employment land both within Leicester and adjacent to the City boundary.

5.3 Future employment land already has planning permission at:-

- Leicester - Ashton Green (6ha) - Work is underway to consider if there is scope for additional land allocations at Ashton Green.
- Leicester – Melton Road (1.8 ha)
- Leicester Belgrave Road
- Blaby – M1 Junction 21, Glenfield Strategic Employment Site (15 ha)
- Blaby – Lubbethorpe Sustainable Urban Extension (22ha)

5.4 Future employment land is planned via draft Core Strategy Documents at:- three sites in Charnwood Borough:-

- North East of Leicester Sustainable Urban Extension (13ha)
- Watermead Strategic Corridor Strategic Employment Site (15ha)
- North of Birstall Sustainable Urban Extension (15ha)

- 5.5 There are also major employment initiatives within the wider County area, which will potentially bring significant benefits to the City, including :-
- 5.6 East Midlands airport currently supports 9100 jobs which is projected to rise to 26,000 by 2030 as a result of the masterplan for the airport expansion.
- 5.7 The MIRA Enterprise Zone at Hinckley (87ha site) site for research and development (specifically for transport technology based businesses). The retention of all business rates growth in the zone for at least 25 years will be shared by the local authorities in Leicester and Leicestershire, to support economic priorities including helping to develop new employment sites.

6.0 Protection of Key Employment Sites

- 6.1 Whilst limited new employment land is available in the City, the existing land and buildings which are the highest quality will continue to be protected for employment uses.
- 6.2 It is necessary to provide a range of employment sites, which are available for all potential users. The land in the city is distributed in 97 existing employment areas, ranging in size from large scale industrial estates such as the 75.6 hectare site at Braunstone Frith, to small scale local employment areas such as on Weymouth Street at 0.8 hectares.
- 6.3 About half of this land/ buildings are in small to medium size areas which are often surrounded by residential development and are more difficult to access for instance by HGV. They are often lower quality buildings, but are generally still very well occupied (over 90%) and useful for employment use. Some sites are however suitable for reuse for other purposes such as residential use where they are no longer viable for employment purposes.

7.0 High Quality Office Space

- 7.1 There is a clear need to continue to plan for new “prime” office sites (i.e. sites which have the highest value commercially, due to their location) as opposed to the lower quality, secondary sites (which make up much of Leicester’s office stock). These will meet the needs of individual businesses which are expanding or relocating and need a choice of high quality accommodation.
- 7.2 Following Leicester’s Commercial Office Market Study an Office Forum has been established bringing together commercial agents, supported by the Council and the LLEP to better co-ordinate and promote the city’s office offer.
- 7.3 The Council will work directly with agents, occupiers, site owners and developers to proactively bring forward Grade A office developments including

the potential use of council land at Dover Street and at the New Walk Centre site. The relaxation of parking requirements was also outlined in the Office Market Study.

7.4 The key issues for are set out in section 4 of Appendix 1

8.0 Council Workspace Development

8.1 The Council operates a number of business workspace units across the city and more recently has successfully developed supported business workspace to provide greater support for businesses wanting to set up and grow e.g. LCB Depot. Studies have been conducted to identify sector based needs and the following schemes have been developed as a result.

8.2 Innovation Workspace - Abbey Meadows

The Innovation Centre is scheduled to open in September 2013. It will provide a high quality location for knowledge based businesses, supporting Leicester's emerging technology and innovation sectors and will act as a catalyst for the development of the wider Innovation and Technology Park (See section 11 below). The Leicester Innovation Workspace development will deliver 33,000 sq ft of floor space supporting 55 businesses and some 150 jobs by 2015

8.3 Makers Yard – 82-86 Rutland Street

The council has also delivered a new 8000sq ft creative workspace, focused on designer makers at Makers Yard in St Georges Cultural Quarter. It will be 90% occupied by June and provides further opportunities for creative graduates to remain in the city.

8.4 Food and Drink Workspace - Lewisher Road

A bid has been made for ERDF grant to build a 20,000sq ft Food and Drink Park at the former Gipsy Lane Brickworks. It would occupy around 1/3 of the council owned site and the remainder will be sold to a local business for complimentary uses.

9.0 City Council Land

9.1 In order to implement the Economic Action Plan, the Council is seeking to make available its own land for employment development.

9.2 At least 6 hectares of employment land has been identified at Ashton Green through the master planning work and further opportunities for employment land provision are being explored. The sale of 5ha of this land has been agreed in principle to Samworths for employment use. A new factory is expected to have 200 jobs to start; 500 could follow. The Council is currently constructing an access road for the employment site to accelerate its development which is now expected to be on site by early 2014.

9.3 As noted above, Council owned sites at New Walk Centre and Dover Street are being promoted for office developments and Council owned land will be promoted for development as part of a later phase of the Innovation and Technology Park on Abbey Lane.

10.0 Grants and Funding

- 10.1 The Council is able to access loan and grant funding support its own employment land and premises development schemes and also support private sector businesses to access grants.
- 10.2 Loan funding is available through the Growing Places Fund to support infrastructure provisions to unlock employment sites. This fund has been used for instance to create a new access road from the Beaumont Leys Lane/ Bennion Road roundabout to service 5ha of employment land forming part of the first phase of the Ashton Green development.
- 10.3 Regional Growth Fund grant is available to support manufacturing companies to invest in capital plant to help develop and grow their businesses. A number of textile manufacturing firms have applied for this funding within Leicester.
- 10.4 The recent City Deal bid has been agreed by Government to proceed to detailed development by the end of 2013. LLEP, Leicester City Council and Leicestershire County Council submitted a city deal bid, which could boost business growth and job creation by providing required infrastructure for employment sites in the city and county and also make available publicly owned land.

11.0 Development Scheme Negotiations

- 11.1 Negotiations with developers can provide the opportunity to unlock employment land for development and deliver other wider business related benefits.

Sainsbury's development - GE Lighting site, Melton Road / Troon Way and Belgrave Road

- 11.2 Despite negotiations by the City Council since 2008, with the various site owners and potential employment developers, it was not possible to bring forward new employment uses on the GE site due to high land development cost and related development viability issues. Negotiations with Sainsbury's foodstore to introduce higher value retail uses on the site and resolve the site viability issues have resulted in the following expected benefits:

- A major new Sainsbury's retail development at Melton Road. Preparatory site preparation works are now underway
- A 1.8 hectare fully accessed and serviced employment site to the north of the proposed new Sainsbury's store at Melton Road. This will enhance the attractiveness of the site for design and build for employment use
- A new employment development site with access and servicing at the current Belgrave Road Sainsbury's store site
- Removal of the Belgrave Road Flyover and associated public highway/realms works to transform the business environment

Sowdens/Asda development - Abbey Lane / Exploration Drive

11.3 Negotiations with a developer and owner of land at the Innovation and Technology Park have led to the following expected benefits.

- A new ASDA retail development on Abbey Lane – site demolition works underway.
- A new 15,000 sqft Technology and Innovation workspace building complementing the councils own Innovation workspace – Due to commence in April
- A new bridge across the River Soar linking the employment site with proposed housing development areas at Abbey Meadows

12.0 Business Networks

12.1 Business networks have been established to pro-actively support business growth in key sectors identified in the Economic Action Plan which can bring together landowners, land agents, developers and business stakeholders.

- The Office Review has resulted in the Office Forum to help support and promote high quality office development in the city centre. This has helped engagement with key businesses in the city centre that may be thinking of expanding or relocating
- Key stakeholders have been brought together to develop land and workspace at the Innovation and Technology Park at Abbey including the two universities, developers, landowners, the Space Centre and businesses that may consider relocating to the Park
- The St Georges Cultural Quarter Business Association fosters links with creative businesses, landowners, developers and businesses
- Key food and drink manufacturing businesses are being brought together in the Food and Drink Business Investment Area. Initially this is focussed on the council's project to develop new workspace at Lewisher Road

Appendix 1 – Summary of Employment Land/Office Studies

1.0 Leicester's Employment Land Study (ELS) 2006

This was the city's first Employment Land Study, it confirmed the following:-

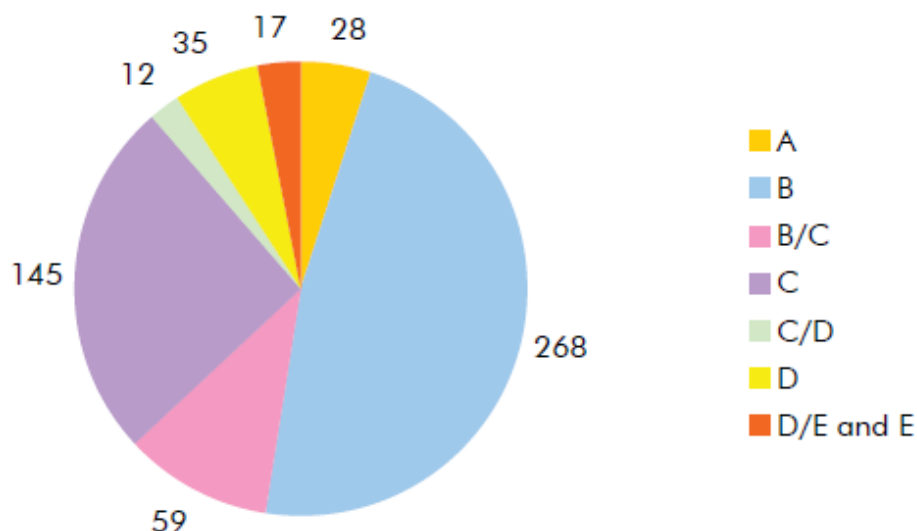
a) Number and Quality of Buildings

That there are 560ha of land / buildings reserved for employment use i.e. designated in the Local Plan, (in addition to many other individual buildings in residential areas that are not protected for future employment use).

Map 1:- shows the location and the quality of the reserved sites/ buildings. These are distributed in 97 employment areas, ranging in size from large scale Industrial Estates such as the 75.6ha at Braunstone Frith, to small scale local employment areas such as on Weymouth Street (only 0.8ha).

About half of this land/ buildings are in small to medium size areas which are often surrounded on three sides by residential development and are more difficult to access by HGV. They are often lower quality buildings, but are generally still very well occupied (over 90%) and useful for employment use.

Chart 1:- The pie chart below shows the number of hectares of land in each grade within the City.



b) Forecasts Of Future Need

The future need for employment land / buildings was estimated, which concluded that there could be a shortage of around 60ha of employment land in the next 10 years and that there was not sufficient land in the City to provide this, so joint working was required with adjoining authorities and it was agreed that a city/county wide study was needed.

2.0 Housing Market Area (HMA) Employment Land Study 2008

This was the first city/county wide study, which was jointly commissioned between all the local authorities. It reaffirmed the shortage of employment land in Leicester and made new and quite “ground breaking” recommendations, that the adjoining planning authorities needed to allocate far more employment land, in addition to their own requirements, to ensure that the employment land and property needs of the sub-region (i.e. on behalf of Leicester), as well as individual districts are met.

3.0 Housing Market Area (HMA) Employment Land Study 2012

This second city/county Wide (HMA) study updated the 2008 study. It reinforced the need for the City Council to work strategically with the adjoining planning authorities. **Table 2** shows forecast demand for Leicester between 2010–2031. The deficits in industrial and strategic warehousing are proposed to be met outside of Leicester within Charnwood and Blaby. The amount of employment land in their proposed Sustainable Urban Extensions includes this extra provision required for the City. **Table 2** takes account of the City’s future land supply that is shown in Table 3 below.

Table 2- Leicester City’s Demand and Supply of Employment Land 2012-2026

Type	Office B1 a/b (sqm)	Industrial B1c/ B2 & small B8(Ha)	Strategic Warehouse (Ha)
Forecast	52,500	51.50 ha	19.20 ha
Early (Tier One) Supply	19,230	17.74	0.00
Later (Tier Two) Supply	25,648	1.60	0.00
Balance	-7,622	-32.16	-19.20

Table 3: The City’s Future Employment Provision 2012–2026 (from Core Strategy)

Location	Area (Ha)	Floorspace
Ashton Green	Up to 6 ha	-
Abbey Meadows Innovation and Technology Park	6.1 ha	Up to 30,000 sqm B1(b)
City Centre Offices	Redevelop existing sites within the City Centre	At least 40,000 sqm B1(a)

In summary,

The trends in job numbers for the next 10 years differ from the need for new land. Although General Industrial (B2) jobs were predicted to decline and office (B1) jobs to increase, with a minimal change in Storage and Distribution (B8)

jobs, the actual floor space demand for these three uses will be very different as follows:-

i) Overall office floor space demand is not likely to increase (for the reasons set out in below in the office summary) but additional high quality space is required.

ii) Storage and Distribution (B8) uses will be in very high demand in the County.

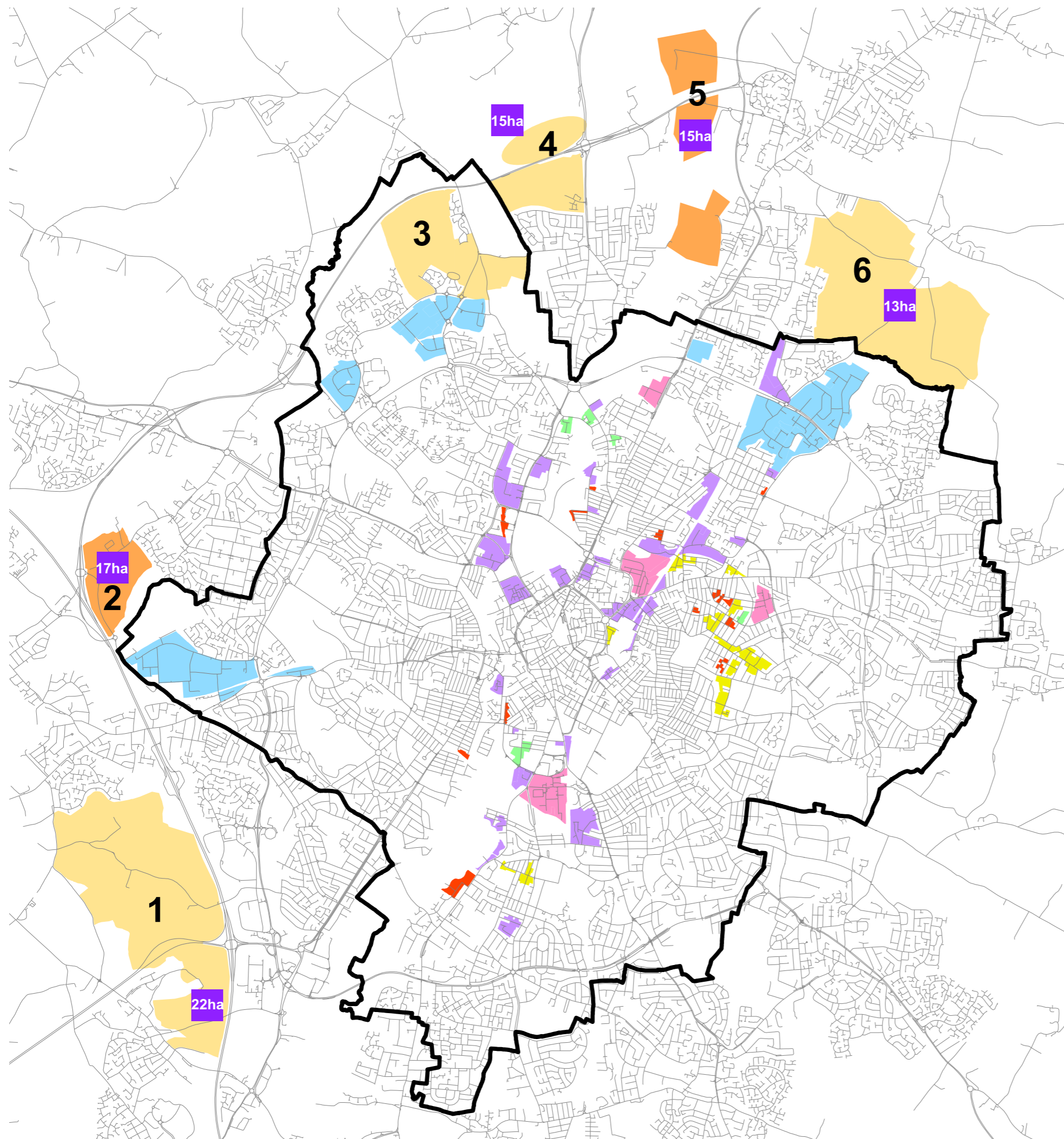
iii) General Industrial (B2) floor space will continue to decrease as manufacturing moves away from too great a dependence on low technology manufacturing towards greater innovation, but more land will still be required for “renewal” (replacing old buildings with new), which usually needs to be on alternative “prime” sites in order to be viable, (i.e. ones which have the highest value commercially, due to their location) as opposed to the lower quality, secondary industrial sites (which make up much of Leicester’s stock).

4.0 Leicester’s Commercial Office Market Study 2012

Leicester City Council commissioned work specifically about the health of our office market. It identified that the key issues for Leicester are:-

- Has a high level of existing stock, (particularly large, lower quality C grade);
- Lacks new “A” grade high quality space, which needs a very proactive approach to achieve it;
- Parking provision is essential;
- Benefits from an established Professional Office Area;
- Has the advantage of networking opportunities and leisure and retail offer in City Centre;
- An attractive labour market and has a cluster of contact centre firms;
- Within 70 minutes of London;
- Even though the overall stock of office space in the city is forecast to decline, there is a strong need to continue to plan for new high quality new space, to provide for those firms which are growing.

Map 1 Location of Employment Land



ha Size of employment site (hectares)

Orange Strategic Employment Sites (SES)

2. Glenfield junction 21a (Blaby)

5. Watermead strategic corridor (Charnwood)

Yellow Sustainable Urban Extension (SUE)

1. New Lubbesthorpe (Blaby)

3. Ashton Green (City)

4. North of Birstall (Charnwood)

6. North East of Leicester (Charnwood)

Employment land condition grade*

Blue Grade B

Pink Grade B/C

Purple Grade C

Green Grade C/D

Yellow Grade D

Red Grade D/E and E

* There is no 'A' grade land in the City

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Appendix C

**Economic Development, Culture & Tourism Scrutiny
Commission:**

27th March 2013

MARKETING OF THE HAYMARKET THEATRE

Lead Director: **John Stevens**

Useful information

- Ward(s) affected: Castle
- Report author: Brendan McGarry
- Author contact details: 298191, Brendan.mcgarry@leicester.gov.uk
- Report version number: 001

1. Summary

This report outlines the recent marketing history of the former Haymarket Theatre.

2. Recommendations

It is recommended that this report is noted.

3. Supporting information including options considered:

After the City Council decided that it did not wish to proceed with the My Place proposal Property were instructed to market the former theatre on the open market.

As the property was subject to a long lease and required full refurbishment, it was decided to market the theatre by private treaty rather than tender or auction.

The main reason for this is that imposing deadlines on interested parties on a property which needed much thought and non-council co-operation (landlords consents) is counterproductive, especially in the current financial climate. Parties need time to formulate ideas and funding arrangements as well as to check the planning position and many other finer details.

In mid July 2011, the site was formally marketed with a premium of over £500,000 sought for the assignment of the long lease held by the Council. The lease is a peppercorn lease which expires in 2073 (60 years to run), with the option to take a further 26 years at no extra cost. Therefore, in effect, the Council was disposing of a lease which allowed the successful bidder to take on a lease of up to 86 years at no rent. There was however a service charge from the owners of the Haymarket Shopping Centre which has averaged £115,000 per annum over the last 5 years.

The property was marketed both nationally in the Estates Gazette and locally in the Leicester Mercury in mid July 2011, and 2 sale boards were erected on the theatre.

During the remainder of 2011 and the first 9 months of 2012, approximately 20 groups were shown round the majority being religious or community groups with the occasional party looking for entertainment venue use.

The Council's lease has a restrictive user clause allowing only municipal uses (library, art gallery or museum) or theatre, cinema or dance/concert use. The landlord of the shopping centre had agreed to the My Place scheme even though it was technically outside the uses allowed and had confirmed that in principle it was not adverse to any use that bought the property back into use and bought footfall to the centre without creating a rival retail offer.

Several tentative enquiries were discussed with the landlord, who was positive in their response, however, no initial enquiries were firmed up.

Following informal discussions on the lack of firm interest it was decided in December 2012 to widen the marketing to offer the property on shorter leases, if preferable to assigning the whole lease. The premium of £500,000 was also removed from the particulars to leave it up to the prospective purchasers to put a figure forward, whether it be a premium for the assignment of the whole lease or a shorter e.g. 10 year underletting of the property, with the Council still retaining the long lease.

Interested parties are still being shown around the theatre, 5 in 2013, but as yet there is no end user identified.

4. Details of Scrutiny

None.

5. Financial, legal and other implications

5.1 Financial implications

The Council has a budget for the annual costs of the Haymarket site of £209,000 per annum, and any disposal even if for a relatively short period should result in a saving to the Council provided that any new owner took over the responsibility for the costs of the property.

Nick Booth
Principal Accountant
Extn. 297423

5.2 Legal implications

1. Under Section 123 of the Local Government Act 1972 the Council is required to dispose of land and property for the best consideration that is reasonably obtainable in the circumstances.
2. The intention to dispose of the property at best consideration will need to be in accordance in accordance with the Property Disposal Policy Framework agreed by Cabinet in July 2003 referred to earlier. The Executive will need to be satisfied that the disposal accords with the relevant provisions of the Framework.

3. Although the disposal appears to be for the best consideration, the Council will also need to ensure that the Council's general fiduciary duty is complied with in disposing of assets in accordance with the Disposals Framework.
4. As the Council holds a lease of the former Theatre, any disposal of the lease or changes to the existing user provisions will be subject to obtaining the landlord's consent.

John McIvor, Legal Services, Ext 29-7035

5.3 Climate Change and Carbon Reduction implications

The disposal of the Haymarket Theatre will reduce the City Council's carbon dioxide emissions and contribute towards achieving the corporate target to reduce emissions to 50% of the 2008/09 level by 2025/26. Future use of the buildings will still contribute towards city wide carbon dioxide emissions so the provision of energy efficiency advice to new owners/tenants may be beneficial, particularly as the building requires refurbishment.

Mark Jeffcote, Environment Team (Extn. 296765)

5.4 Equality Impact Assessment

None.

5.5 Other Implications (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

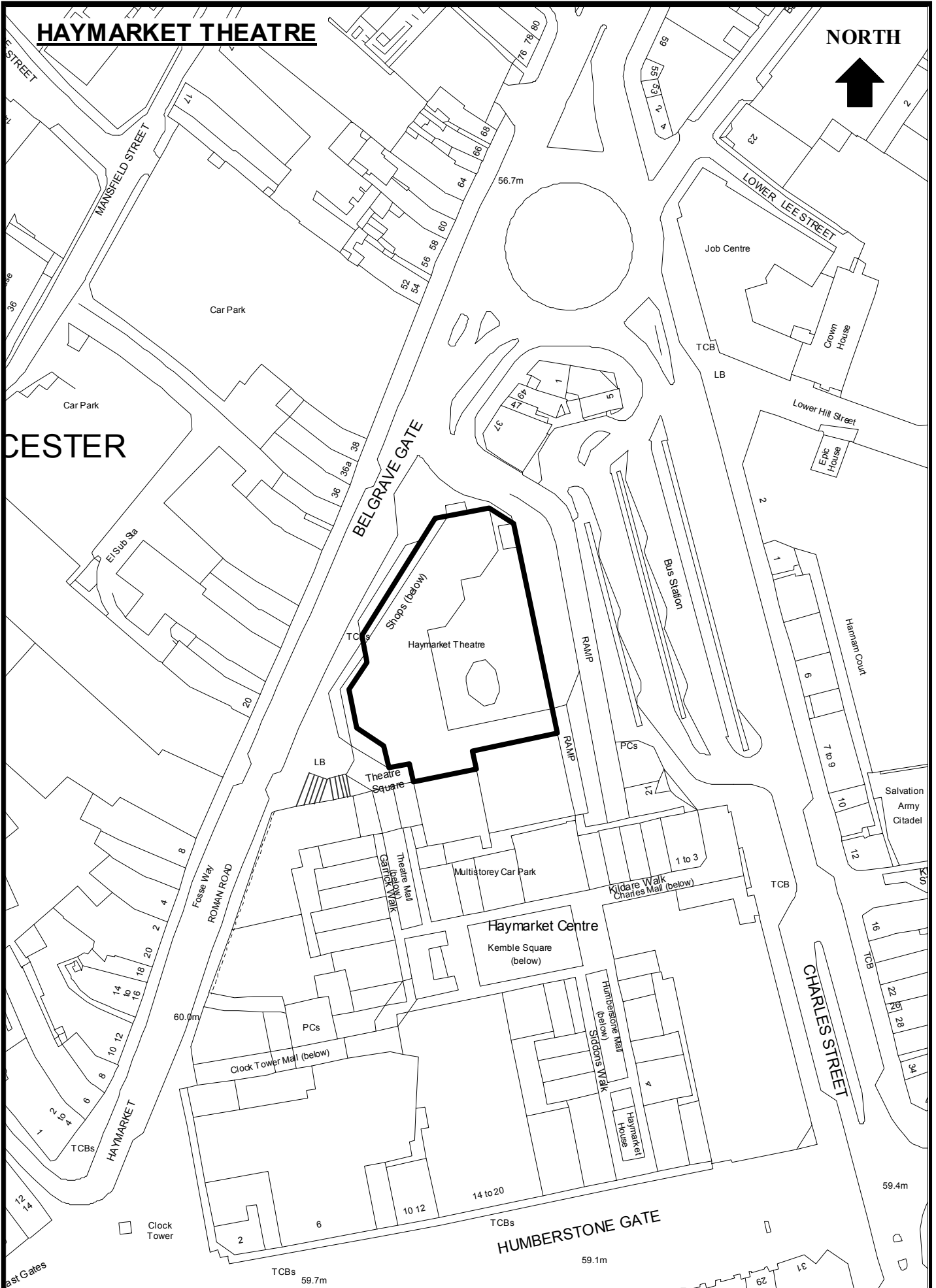
None.

6. **Background information and other papers:**

None.

HAYMARKET THEATRE

NORTH



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DRAWN BYJP PLAN NoCtee/220
 CHECKED BYBMG DATE 14/03/2013

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 LEICESTER CITY COUNCIL

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