

# **Update on Leicester and Leicestershire Business and Skills Partnership**

EDTCE Scrutiny Commission

Date of meeting: 12/03/2025

Lead director/officer: Mike Dalzell and Phoebe Dawson

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## **Useful information**

- Ward(s) affected:
- Report author:
- Author contact details:
- Report version number:

### **1. Summary**

The purpose of this report is to update the Scrutiny Commission on the work of the Business and Skills Partnership for Leicester and Leicestershire.

### **2. Recommendation(s) to scrutiny:**

EDTCE Scrutiny Commission are invited to:

- Note the progress made in the transition of core LEP functions into the two Upper-Tier authorities
- Note the ongoing development of the Business and Skills Partnership and Business board.

### **3. Detailed report**

In April 2024 the former LLEP team transitioned to the Leicester and Leicestershire Business and Skills Partnership (LLBSP) and the LEP board was disbanded.

During 2024/25 the government provided transition funding to support the establishment of a Business Board and to continue with government funded priority programmes. These are as follows:

- a) Supporting business representation through the establishment of a Business Board
- b) Supporting the designated Enterprise Zones, which include sites in the County at MIRA Technology Park (MIRA) near Hinckley and at Loughborough University Science and Enterprise Park (LUSEP) and Charnwood Campus in Loughborough;
- c) Skills and apprenticeships, including the work of the Leicester and Leicestershire Careers Hub;
- d) The Business Gateway Growth Hub and Create Growth;
- e) Local economic growth planning.

Following the previous government's decision to shift economic functions and business representation from LEPs to local government, guidance was provided for local authorities collaborating within a prospective devolution deal geography or functional economic area. This includes establishing or maintaining an Economic Growth Board (or a similar entity) comprising local business leaders and relevant representative bodies.

These boards serve two key purposes: (a) representing local business perspectives in regional decision-making and (b) working with local leaders to develop a comprehensive economic strategy for the area.

The guidance given stated that Business representative boards should follow certain key principles to ensure effective business involvement in local decision-making. They should engage business representative organisations such as the local Chamber of Commerce, the Federation of Small Businesses, or the designated Employer Representative Body (ERB) leading the Local Skills Improvement Plan (LSIP). Additionally, they should include a diverse range of businesses reflecting local economic strengths and priorities, ensuring representation across different sizes and geographic areas, including urban, and rural to promote a diversity of voices.

Operating across Leicester and Leicestershire, the Business Board serves as a strong business voice, supports the delivery of Government initiatives, and acts as an enterprise advocate on the regional and national stage.

Mr. Andy Reed OBE has been appointed as the Chair of the newly established Business Board, where he will play a key role in shaping economic strategy for Leicester and Leicestershire.

Mr. Reed previously served as Chair of the LLEP. With extensive experience in business and stakeholder engagement, his appointment ensures continuity in providing strategic advice to both Councils.

Recruitment of Business Board members began in the summer of 2024, attracting 15 applications. After shortlisting and interviews, a panel of senior officers from both the City and County Councils selected four private sector members. Their decision was subsequently ratified by both the City Mayor and Acting Leader of the County Council.

Alongside the four private sector members, the Business Board includes one representative from the voluntary and community sector (VCS) and one each from the higher and further education sectors.

The Business Board is also composed of five business and employer representative organisations, including the Institute of Directors, Federation of Small Businesses, and Make UK, as well as a representative on behalf of the district councils (Mr Jewel Miah). There is also a senior officer observer from Rutland Council.

The Business Board meets every two months to provide guidance to the Acting Leader of the County Council and the City Mayor on economic development needs. Additionally, the two leaders hold bi-monthly meetings with the Chair of the Business Board as the LLBSP Executive to shape and steer the forward agenda and agreed Board outcomes. It is the intention for these meetings to move to a quarterly cycle from 1 April 2025.

The Business Board has met twice so far, with agenda items including Board induction, an overview of the LLBSP, and most recently, a presentation on the potential devolution of adult skills.

A secretariat team, operating under the LLBSP and hosted by the City Council, provides support to the decision-makers and the Business Board.

## **Enterprise Zones**

In March 2023, the LLEP Board asked that an impact assessment of the Enterprise Zones (EZs) in Leicester and Leicestershire be undertaken. The impact assessment was to cover the period 2012 - 2022 for MIRA and 2017 - 2022 for LUSEP and the Charnwood Campus. The LLEP commissioned the County Council Business Intelligence team to undertake this work.

The assessment has shown that the EZ's have collectively created 6,107 jobs (direct and indirect) with an additional 2,456 construction jobs, created £357.3m Gross Value Added (direct and indirect) for Leicester and Leicestershire, and attracted £163.8m public and £141.8m private investment. This report is a useful tool for partners looking to attract investment into Leicester and Leicestershire. It has supported the LLBSP response to the Government's Industrial Strategy Green Paper which highlights several of our EZ key sectors as high growth/priority sectors for the UK.

The projects funded through the Enterprise Zone Retained Business Rates fund via the LLEP are reaching completion. Of the 10 projects, two have final claims expected to be submitted this financial year and the remainder are either in monitoring or fully closed. Projects have predominantly been capital based, although some revenue activity has been supported. These have included a redevelopment project on the Charnwood Campus to upgrade unused highly specialised laboratory space, creating a world-class biochemistry building, a project to convert an existing building at MIRA into a low carbon research centre and install transformational charging and testing infrastructure for electric and hydrogen vehicles, and a start-up business support project delivered by Loughborough University open to individuals across Leicester and Leicestershire.

The post-LLEP arrangements for the EZ programme are under discussion by the City and County Councils, Hinckley and Bosworth Borough Council, and Charnwood Borough Council. These will dictate the EZ Retained Business Rates fund's future administration and financing decision-making processes. The LLBSP is providing support to these discussions.

EZ Implementation Groups are responsible for overseeing the implementation plans of their respective EZ sites. Each group meets four times annually. To facilitate more cooperation and learning across the sites, the LLBSP will be hosting additional meetings this year. These will centre on the net zero agenda and innovation ecosystems.

In collaboration with the Leicester and Leicestershire Place Marketing Team, development of an event to promote the region using the Enterprise Zone sites at UK's Real Estate Investment & Infrastructure Forum (UKREiiF) Industry Conference 2025 is underway. Using innovative sectors to generate long-term growth with the help of public-private partnerships will be the main emphasis of this showcase event.

## **Skills and apprenticeships**

The LLBSP aims to enhance economic growth by focusing on skills development and employment support. Collaborating with employers, educational institutions, local authorities, and voluntary services, the LLBSP aims to create a robust talent pipeline tailored to the diverse needs of the local economy.

Key initiatives undertaken by the LLBSP in the realm of skills development include:

- **Strategic Collaboration:** Partnering with the East Midlands Chamber to advance the Local Skills Improvement Plan (LSIP) and working alongside local authorities to support UK Shared Prosperity Fund (UKSPF) programmes
- **Apprenticeships and Training:** Promoting and facilitating apprenticeship opportunities, traineeships, and T Levels to provide practical experience and bridge the gap between education and employment.
- **Employer Engagement:** Encouraging businesses to offer work placements, internships, and industry placements, thereby fostering early engagement with potential future employees and addressing sector-specific skills challenges.

### **Careers Hub**

The Careers Hub engages with local schools and colleges, employers, and careers-education providers to improve careers education related outcomes for young people, especially the disadvantaged. It aligns this work against the Gatsby Benchmarks for Good Careers Guidance which define what world class careers education looks like. The Hub is above national average in seven of the eight benchmarks and has been acknowledged as progressive and leading the way on creating the national blueprint for careers education.

The Hub provides training, support, and best practices in careers education and demonstrates the impact of this on career readiness, employment outcomes and “Not in Education, Employment or Training (NEET) reduction.

The Hub is funded through the LLBSP with match funding in full or part for all staff. It operates through a grant funding agreement with the Careers and Enterprise Company who are the national body for careers education.

The strategic priorities of the Careers Hub are:

- Raising the quality of careers provision in schools and colleges, against the Gatsby Benchmarks, through training for the education workforce, targeted support, and quality assurance.
- Driving positive experiences with employers by stimulating and providing more high-quality experiences with employers for students and teachers in the classroom and the workplace.
- Boosting Skills Pathways - Amplifying apprenticeships, technical (T Level) and vocational routes and aligned to the knowledge, skills and behaviours businesses articulate they need in their workforce.
- Tackling disadvantage through target interventions for economically disadvantaged young people (those in receipt of free school meals) and those who face barriers to education, employment or training.
- Connecting careers provision in schools and colleges to the needs of local economies as articulated through local growth plans the Local Skills Improvement Plan.

In addition to its core work, the Careers Hub has delivered a range of additional projects supporting disadvantaged young people. These include “Unbox Your Future” (a workplace experience project for c3,000 young people), “We Discover Effective

Transitions” (a SEND research project building confidence and transition opportunities), and “We Discover Digital” (an immersive sector project connecting young people with industry pathways). The Hub has also become England's first pilot Logistics Beacon Hub, collaborating with sector industry partners to enhance career sector depth and breadth, upskill educators, parents and carers.

Looking forward, and in line with governments direction of travel, the Hub will continue to elevate careers education with an increased focus on strengthening careers leadership through peer and expert reviews, further develop our work with parents and carers on supporting their young people and stimulate further high-quality workplace experiences.

### **Business Gateway Growth Hub**

The Business Gateway Growth Hub actively supports businesses in Leicester and Leicestershire through various initiatives. These include the following:

- Collaboration on the Leicestershire Innovation Festival 2024: The festival attracted over 1,000 attendees during a fortnight of events, celebrating innovation across the region.
- Supporting UKSPF funded ‘Leicestershire Business Advice Service’ through engagement and referrals.
- Active promotion of government initiatives impacting small and medium sized enterprises such as the Fair Payment Code, consultation on copyright laws and the promotion of skills bootcamps.
- Highlighting practical initiatives such as winter proofing your business and supporting mental health in the workplace.
- Raising awareness of fraud through international fraud week and highlighting common scams tactics used in the run up to the self-assessment deadline.

Looking ahead, the Business Gateway Growth Hub plans to continue its support for local businesses with Leicester, Leicestershire and Rutland with the following upcoming events and programs:

- Workshops and Events: A series of workshops and events are scheduled, covering topics such as business networking and growth strategies.
- Offering businesses personalised one-on-one support through a business navigator and working in collaboration with the National Business Support Helpline.

Additionally, the Business Gateway Growth Hub is awaiting the publication of the Small Business Strategy and the launch of the Business Growth Service, which is anticipated by summer 2025.

### **Create Growth**

The East Midlands Create Growth Programme (EMC<sup>2</sup>) has been actively supporting creative businesses in the region. Launched in November 2022, the programme began accepting applications in January 2023 and commenced its first cohort in May 2023. The initiative is funded by the Department for Digital, Culture, Media and Sport (DCMS) and is designed to run until the end of 2025.

EMC<sup>2</sup> offers a comprehensive business support programme aimed at making creative sector businesses investment ready. This includes a combination of workshops, peer support, and mentoring tailored to the specific needs of high-growth potential creative businesses. Participants engage in either in-person or virtual workshops and receive bespoke mentoring, focusing on areas such as intellectual property, business models, revenue streams, and access to new markets. The programme also provides opportunities for businesses to meet investors and bid for funding from Innovate UK.

The programme is open to creative sector businesses based in Leicestershire, Derbyshire, Rutland, and Lincolnshire. Eligible industries include advertising and marketing, architecture, crafts, design and designer fashion, film, TV, video, radio, photography, IT, gaming, software and computer services, publishing, museums, galleries and libraries, and music, performing and visual arts.

DCMS has recently announced that the Create Growth programme will be extended for a fourth year, running until March 2026.

### **Economic Growth Planning**

In October 2024 the Government released a Green Paper on the new Industrial Strategy, outlining a vision for a modern approach. A 10-year plan designed to provide the certainty and stability businesses need to invest in high-growth sectors that will fuel our growth mission.

In November the LLBSP hosted an interactive consultation on the Green Paper. Local business leaders, education providers, and key stakeholders gathered to share their insights and priorities.

The event covered topics critical to the local economy, including key sectors for growth, workforce skills, infrastructure needs, innovation, and international opportunities. Attendees provided valuable input that helped guide LLBSP in crafting a response that reflected Leicester and Leicestershire's strengths and aligns with the national goals.

Whilst the outcome of the consultation is awaited and the launch on the UK's Industrial Strategy, the LLBSP is currently reviewing key data on employment, business growth, and sector performance, using sources such as Midlands Engine reports, and ONS data. Key sector strengths are being identified, including advanced manufacturing, logistics, creative industries, and the low-carbon economy, while also gaining insight into local challenges like skills shortages, infrastructure requirements, and post-pandemic recovery trends.

Within the next 12 months the LLBSP will engage stakeholders and secure buy-in by leveraging partnerships with the local councils, universities, and major employers. This will include consultation with businesses and communities to align the strategy with real-world needs and develop public-private collaboration to maximise investment and resource-sharing.

## **4. Financial, legal, equalities, climate emergency and other implications**

### **4.1 Financial Implications**

There are no direct financial implications related to this report, but it should be noted that all funds and contracts from the former LLEP strategic body have now passed to the Council. The Council is now directly responsible for all ongoing financial matters.

The LLEP funds now held in the Council's reserves are being used to sustain the activities of the LLBSP until 31/3/26. It is to be determined how any future LLBSP activities will be funded beyond this date.

Signed: Stuart McAvoy, Head of Finance

Dated: 28/2/25

### **4.2 Legal Implications**

Further to the Secretary of State's 'Guidance for Local Enterprise Partnerships and local and combined authorities: integration of LEP functions into local democratic institutions' dated 4 August 2023, and the Government's sponsorship and funding of LEPs ceasing on 31 March 2024, the City Council, alongside the County Council, as the upper tier local authorities in the functional economic area previously covered by the LLEP, took over the delivery of continuing functions previously performed by the LLEP effective from April 2024. The LLBSP and Business Board form part of the new arrangements as set out in this update report.

Signed: Kevin Carter, Head of Law – Commercial, Property and Planning

Dated: 3/3/25

### **4.3 Equalities Implications**

The report provides an update to the Scrutiny Commission on the work of the Business and Skills Partnership for Leicester and Leicestershire.

The Leicester and Leicestershire Business and Skills Partnership (LLBSP) is a collaborative initiative designed to enhance economic growth, business development, and skills improvement within the Leicester and Leicestershire region. There are no direct equality comments arising from the report. Initiatives that aim to drive forward regeneration and growth in the local economy should lead to better prospects.

Signed: Equalities Officer, Surinder Singh Ext 37 4148

Dated: 28 February 2025

### **4.4 Climate Emergency Implications**

There are no climate emergency implications arising directly from this report, but it is worth noting the importance of aligning economic development, business support and skills activities with the council's strategic approach to decarbonisation, climate resilience and adaptation. There are benefits to be had in terms of economic growth, employment opportunities and poverty reduction from grasping the opportunities around developing the 'green economy'. In addition, there is a need to support business with both the transition to a net zero economy and with becoming resilient to the impacts of climate change.



There is already good work represented in the Climate Ready Leicester Plan on green skills development and supporting the greening of the tourism sector, for example. The LLBSP will have an important role in linking the economic and climate agendas moving forward to maximise the opportunities for both.

Signed: Duncan Bell, Change Manager (Climate Emergency). Ext. 37 2249

Dated: 28/02/25

#### **4.5 Other Implications**

Signed:

Dated:

#### **5. Background information and other papers:**

In the Spring Budget of March 2023, the Chancellor announced that the Government was "minded" to withdraw central core funding for Local Enterprise Partnerships (LEPs) starting in April 2024. This decision was officially confirmed in August 2023. The Government also indicated that funding for several key LEP functions - such as business representation, strategic economic planning, and the delivery of government programs (where directed) - would be transferred to Upper Tier Local Authorities (UTLAs), where these functions are not already managed by combined authorities or the Greater London Authority. The expectation was for UTLAs to collaborate across functional economic areas.

In January 2024 the Mayor authorised the Chief Operating Officer and Strategic Director to take any operational, governance and regulatory steps that may be required to finalise the transition of the Leicester and Leicestershire Enterprise Partnership (LLEP) to the upper tier local authorities.

This work was supported by a Transition Board, led by senior representative from City and County Council, and LLEP. This board supported the management of the transition of the core LLEP functions to the Upper-Tier authorities, with the City Council remaining as the accountable body.

#### **6. Summary of appendices:**

None