Executive Decision:

Growing Places Fund

Decision to be taken by: City Mayor

Decision to be taken on: 18 August 2026

Lead director/officer: Peter Chandler,
Director of Tourism Culture and Economy

Useful information

- ■ Ward(s) affected: All
- ■ Report author: Elizabeth Botmeh
- ■ Author contact details: Elizabeth.Botmeh@llbsp.org.uk
- ■ Report version number: 1

1. Summary

Leicester City Council is the Accountable body for the Growing Places Fund (GPF), a government-backed capital investment fund established to support infrastructure projects that unlock economic growth, create employment opportunities and enable housing development.

Following loan repayments and previously approved commitments, the total balance of GPF resources available is £10.275 million. These resources can be used to support economic development and prosperity across Leicester and Leicestershire.

This report seeks approval to allocate £4 million of GPF resources to Leicestershire County Council for economic development purposes and to allocate a further £4 million to Leicester City Council's Capital Programme to support the Heart of Leicester programme.

The Heart of Leicester investment will strengthen the city centre's attractiveness, vitality and competitiveness, creating the conditions for sustainable economic growth, increased footfall, enhanced visitor experiences and greater confidence among residents, businesses and investors.

Following these allocations, the remaining GPF balance of approximately £2.275 million will be retained to support future economic development and regeneration initiatives across Leicester and Leicestershire, with detailed proposals to be brought forward for consideration and approval by the Executive at a later date.

2. Recommended actions/decision

a) To note the completion of the transfer of the Leicester and Leicestershire Enterprise Partnership (LLEP) functions, assets and responsibilities to Leicester City Council with effect from 1 April 2024, and the Council's role, working alongside Leicestershire County Council, in delivering economic development functions across Leicester and Leicestershire.

b) To note that, following the closure of the LLEP and the discharge of all Growing Places Fund (GPF) grant conditions, remaining GPF resources are now held by Leicester City Council as ring-fenced capital receipts to support economic development and prosperity across the Leicester and Leicestershire functional economic area.

c) To approve the addition of £4m to Leicester City Council's capital programme for the award of a capital grant of £4 million to Leicestershire County Council for the delivery of initiatives that support economic development and prosperity across Leicestershire, informed by engagement with businesses and other stakeholders.

d) To approve the addition of £4 million to Leicester City Council's Capital Programme to support the development and delivery of the Heart of Leicester programme and associated regeneration and economic growth initiatives. Of this, £2.25m will be an immediate start with £1.75m being included as a policy provision for the future acquisition of land at the Midland Street regeneration scheme.

e) To note that following these allocations, the remaining GPF balance of approximately £2.275 million will be retained for future economic development and regeneration projects. The allocation of this funding will be informed by engagement with Business Board stakeholders, with specific proposals to be submitted to the Executive for approval at a later date.

3. Background and options with supporting evidence

3.1 Local Enterprise Partnership

The Leicester and Leicestershire Enterprise Partnership (LLEP) was originally established to promote economic growth, regeneration and investment across Leicester and Leicestershire. Throughout its operation, Leicester City Council acted as the LLEP's Accountable Body, receiving and administering funding on its behalf and providing assurance to Government and other stakeholders in respect of financial management, governance and compliance arrangements.

Following Government decisions in 2023 to integrate LLEP functions into local democratic institutions, the LLEP's functions transferred to Leicester City Council. Since April 2024 Leicester City Council and Leicestershire County Council have been working jointly to support economic development across the Leicester and Leicestershire functional economic area.

As part of these arrangements, all remaining LLEP funds and contracts transferred to Leicester City Council, which now holds responsibility for all associated financial, legal and governance matters. This includes responsibility for the ongoing management or closure of legacy programmes, including the Growing Places Fund.

3.2 Growing Places Fund

The Growing Places Fund (GPF) was a £730 million Government-backed capital investment programme established in 2011 to support infrastructure projects that stimulate economic growth, housing delivery and job creation. The Fund operated as a revolving loan fund and was managed locally by the LLEP.

In 2012 the LLEP received a total allocation of £13.4m under the programme to support economic development projects across Leicester and Leicestershire. Funding was provided through capital loans to eligible projects, with repayments recycled to support future investment, and some capital grants.

Following loan repayments and previously approved commitments, the remaining balance of GPF resources available is £10.275 million. Resources should continue to be awarded in line with the GPF fund objectives to support economic development and prosperity across Leicester and Leicestershire.

3.3 Allocation of Remaining Fund

It is proposed that the remaining GPF balance of £10.275 million is allocated as follows:

(a) Capital Grant to Leicestershire County Council

To approve a capital grant of £4 million to Leicestershire County Council for the delivery of economic development initiatives to support economic development and prosperity across Leicestershire.

The grant shall be subject to a funding agreement between Leicester City Council and Leicestershire County Council requiring that the monies are used solely for economic development purposes consistent with the objectives of the Growing Places Fund.

(b) Leicester City Council Capital Programme

To approve the addition of £4 million to Leicester City Council's Capital Programme to support economic development and prosperity initiatives through the development and delivery of the Heart of Leicester programme and associated regeneration, place making and economic growth objectives.

Building on a robust understanding of visitor and resident perceptions, motivations and behaviours, the programme represents a transformational step-change in investment in Leicester city centre, recognising its role as the economic driver and cultural and civic heart of the city.

Through targeted investment, the programme will strengthen the city centre’s attractiveness, vitality and competitiveness, creating the conditions for sustainable economic growth, increased footfall, enhanced visitor experiences and greater confidence among residents, businesses and investors.

The £4 million Growing Places Fund investment has the potential to leverage additional grant funding, creating a larger city centre capital investment programme. The proposed allocation of funding is as follows:

- **First Impressions programme £300k:** Maintenance and improvements to enhance the appearance and welcome at city gateways (bus station / train station/ bus stops/ car parks). To include lighting upgrades, wayfinding and signage, decluttering, street furniture, public art, and promotion of key assets and businesses.

- **Hot Spot Programme £250k:** Improvements to address known antisocial behaviour hot spots e.g. gating alleyways, doorways, security enhancements, lighting and graffiti removal

- **Vacant Premises Improvement Programme £200k:** Grant scheme for facade renovations/ premises improvements to enhance building appearance and bring vacant properties back into use. This is expected to attract £200k private sector match funding (50%).

- **Festivals, key events and culture £520k:** Investment in flexible staging, lighting and other infrastructure to support and enhance delivery of a vibrant festivals and events programme across a range of city centre spaces by the Council and to work with partner organisations who support the city’s cultural offer.

- **Market Place/ Lanes Townscape Scheme £1.3m:** Targeted programme of improvement works to buildings in the Market Place/Loseby Lane/Cank Street/Hotel Street/ Market Street areas along with complementary investment in the public realm. This will include investment in shop frontages and building fabric, greening initiatives and lighting enhancements. There is the potential to enhance the scheme by seeking grant funding from the National Lottery Heritage Fund. The £1.3m includes £300k to invest in additional demountable stalls for Leicester Market, providing more trading spaces and enabling a range of flexible layouts that will create a vibrant and versatile, high-quality environment for traders, customers and visitors.

- **Midland Street Regeneration Scheme £1.43m:** A policy provision for the acquisition of land for office/workspace development, which will be matched with the £1.15m of capital receipts earmarked for acquisitions following the sale of land on Midland Street to Homes England.

(c) Remaining Balance

Following the above allocations, the remaining GPF balance of approximately £2.275 million will be retained and earmarked for future economic development and regeneration initiatives across Leicester and Leicestershire. The allocation of this funding will be informed by engagement with Business Board stakeholders. Proposals for the use of these funds will be brought forward for consideration and approval by the Executive at a later date.

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

4.1 Financial implications

This report proposes the addition of £8m to the Council's capital programme financed from the Growing Places Fund balance held by the council. £4m is for the City Council's Heart of Leicester programme, of which £1.75m will be held as a policy provision and therefore subject to an additional Executive decision before being spent, with the remaining £2.25m being an immediate start. £4m will be paid as a capital grant to Leicestershire County Council for economic development purposes.
Signed: Stuart McAvoy – Head of Finance
Dated: 29th July 2026

4.2 Legal implications

If approved, the capital grant will be subject to a transfer agreement which is in accordance with the *Government Guidance for Local Enterprise Partnerships (LEPs) and local and combined authorities: integration of LEP functions into local democratic institutions* (published August 2023) which advises that the management of financial reserves should be agreed locally, in line with any pre-existing arrangements between the LEP and its Accountable Body.

Further, the general power of competence (section 1 Localism Act 2011) enables the Council to "do anything that individuals generally may do" to implement this transfer. The commitment to use the funds for economic development purposes consistent with the objectives of the Growing Places Fund will be set out on the grant transfer agreement.
Signed: Kevin Carter, Head of Law - Commercial, Property & Planning
Dated: 29th July 2026

4.3 Equalities implications

Under the Equality Act 2010, public authorities have a Public Sector Equality Duty (PSED) which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't. Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation. The proposals set out in this report relate to the allocation of funding to support economic development and regeneration activity across Leicester and Leicestershire. At this stage, the report does not introduce specific projects or service changes and therefore does not give rise to direct equality impacts. The allocation of funding has the potential to contribute positively to the Council's objectives around inclusive growth, including improved access to employment, skills and economic opportunities. Any such benefits will be dependent on the design and delivery of individual projects funded through these allocations.
Signed: Equalities Officer, Surinder Singh
Dated: 23rd June 2026

4.4 Climate Emergency implications

There are no significant climate emergency implications associated directly with this report.
Signed: Phil Ball, Sustainability Officer
Dated: 24th June 2026

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

None

5. Background information and other papers:

None

6. Summary of appendices:

None

7. Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

No

8. Is this a "key decision"? If so, why?

Yes, as this commits more than £1m to the capital programme that has not received prior approval.