Leicestershire Rural Economy Evidence Base

June 2014

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EXECUTIVE SUMMARY

Rural Leicestershire at a Glance

- There is an emerging consensus (derived from consultation with local authority local plan departments) that rural Leicestershire has around 105 settlements with important elements of functional importance for its rural areas. 35 of these are key drivers in terms of a rural hinterland (excluding the City of Leicester).

- Rural Leicestershire has a relatively smaller stock of jobs than the county as a whole and the England and Wales average in terms of job density.

- Rural Leicestershire is 30% of the population of the County – it is growing older more rapidly than the County and has a more steeply declining trend of young people than the County.

- The rural areas in Leicestershire's districts are growing more slowly in terms of population than the districts as a whole.

- Rural Leicestershire has more highly qualified people than the national and county averages.

- Rural Leicestershire has less extreme variations in income than the County as a whole – median incomes at lsoa level start from a higher base but fall short of highest levels at county level.

- Apart from creative industries there is a significant concentration of LEP priority sectors in rural Leicestershire – Distribution, High Tech Engineering, Food and Drink and Tourism are particularly well represented.

- Rural Leicestershire has suffered significantly from the recession its jobs base is 6% smaller than it was in 2009 and it has lost jobs in the following key areas: manufacturing, wholesale and retail, education and the arts, it has gained jobs in transportation and storage. It has fared worse in terms of job losses during the recession than Leicestershire and England in relative terms.

- Harborough and North West Leicestershire have the largest rural economies by a significant margin. They have significant concentrations of wholesale and retail jobs and transport and storage jobs. Professional and scientific jobs, education and health are important employment sectors.

- Leicestershire has 5000 people employed in agriculture – using a job per head of population figure this is higher than the national average. The settlements with the highest overall distribution of agricultural jobs per head of population are Harborough and Melton.

- Rural Leicestershire has a higher proportion of businesses per head of population than the county and national averages. It also has a higher stock of small firms (0-9 employees) than the national and county averages.

- Using national projections of growth since 2007 the most rural districts within Leicestershire, Harborough, Melton and North West Leicestershire increased their stock of businesses broadly in line with the England average, with the stock of jobs growing considerably faster than the national figure in North West Leicestershire and marginally slower than the England average in Melton and Harborough.

- Whilst rural Leicestershire has some pockets of deprivation it is relatively less deprived than the County as a whole. Only 3% of its LSOAs are amongst the most deprived 10% in the County.

Key Findings

Leicestershire has a clearly distinctive rural geography. It comprises a pattern of interconnected rural and urban settlements. There is a distinctive east-west split in the make-up of settlements, with the west being more densely populated and situated along major motorway routes with easy access to East Midlands Airport. The National Forest and its surrounding area form an important landscape and asset in the north west of the county.

The east is more sparsely populated with greater numbers of traditional rural businesses such as land-based and food and drink.

Overall there is considerable scope to intervene to support the economic development of Leicestershire’s rural area.

Distinctive opportunities for engagement include:

1. Testing a possible market failure in the supply of larger employment premises in the rural area.

2. Addressing the decline of the LLEP growth sector businesses in the area.

3. Growing the economic potential of the home workers in the rural area to maximise its sustainable economic growth.

4. Developing a programme of support particularly taking account of the opportunities afforded by LEADER to build on the relative resilience of the traditional land and food based sectors in the rural-east of the county.

5. Developing a discrete approach to rural economic development particularly in those districts with the highest numbers of employees in rural areas (Harborough and North West Leicestershire).

6. Scope for wider ‘cross-LEP’ collaboration around tourism and the development of the forestry sector within the National Forest and surrounding areas.

This research provides considerable scope to build on the Leicestershire Rural Partnership economic development agenda. The LRP provides an ideal county wide brokerage model to progress the findings and recommendations of this report.

Introduction

- The Leicestershire Rural Partnership (LRP) commissioned an evidence base to help align its commitment to economic development with the emerging investment plans of the Leicester and Leicestershire Enterprise Partnership (LLEP) and to more widely support the implementation of its Rural Framework.

- The report analysed the current condition of Leicestershire's rural economy, including local drivers and barriers to economic growth and considered future needs and opportunities identifying market failure and the scope for public sector investment.

- The main focus of the LRP economic development agenda has been to support small businesses which are in some way dependent on their rural location (e.g. farming, food and drink, tourism and woodland economy) and micro-businesses based in significant rural areas.

- A four-fold approach to interpreting rural Leicestershire has been adopted in this study. Firstly data has been analysed at the level of rural Leicestershire as a whole, based on an agreed list of lower super output areas (LSOAs) identified as rural in the 2011 rural-urban definition.

- Secondly, the rural area has been split into a "sparse" east and "a less sparse" west geography.

- Thirdly, some key characteristics have been further broken down to consider issues at the district local authority level, using the rural LSOAs referred to above.

- Finally, an agreed list of key settlements has been established in conjunction with the local authorities in rural Leicestershire. We have analysed their particular contribution and role to the functioning of the area.

- In addition to this approach a separate analysis of the National Forest, which also stretches into Derbyshire and Staffordshire has been undertaken as a discrete component within the development of the evidence base and the emerging LEADER area proposed largely in east Leicestershire (principally Melton and Harborough Districts) is also profiled.

- In addition to data analysis, a detailed triangulation discussion, to shape the analysis of the emerging findings from the research was held with key stakeholders in December 2013.

Rural Economy Description

At the highest level of statistical aggregation there is indeed little difference in economic structure between rural England and urban England. This is largely because industries traditionally associated with rural areas have steadily declined.

OECD Rural Policy Reviews, England 2011 pp74

The development of any rural evidence base starts from the difficult position that received wisdom as set out in the statement above is that there is no distinction between rural and urban economies any more. The insightful OECD review, from which the above quote is taken, goes on to quantify the proposition that rural and urban places are economically similar. It does this by demonstrating that whilst superficially, for example the sectoral distribution of businesses is broadly similar across rural and urban places, the nature and character of the operation of those sectors is very different. It goes on to point out that wages are lower, businesses are smaller and less productive, workforces are older, housing is less affordable, broadband less effective and planning laws more restrictive in rural areas. The OECD review also acknowledges that whilst they represent a relatively small number of employees overall, there are some distinctive rural sectors notably; land based activities and that certain other sectors for example tourism, are relatively more significant in terms of numbers of employees than in urban areas.

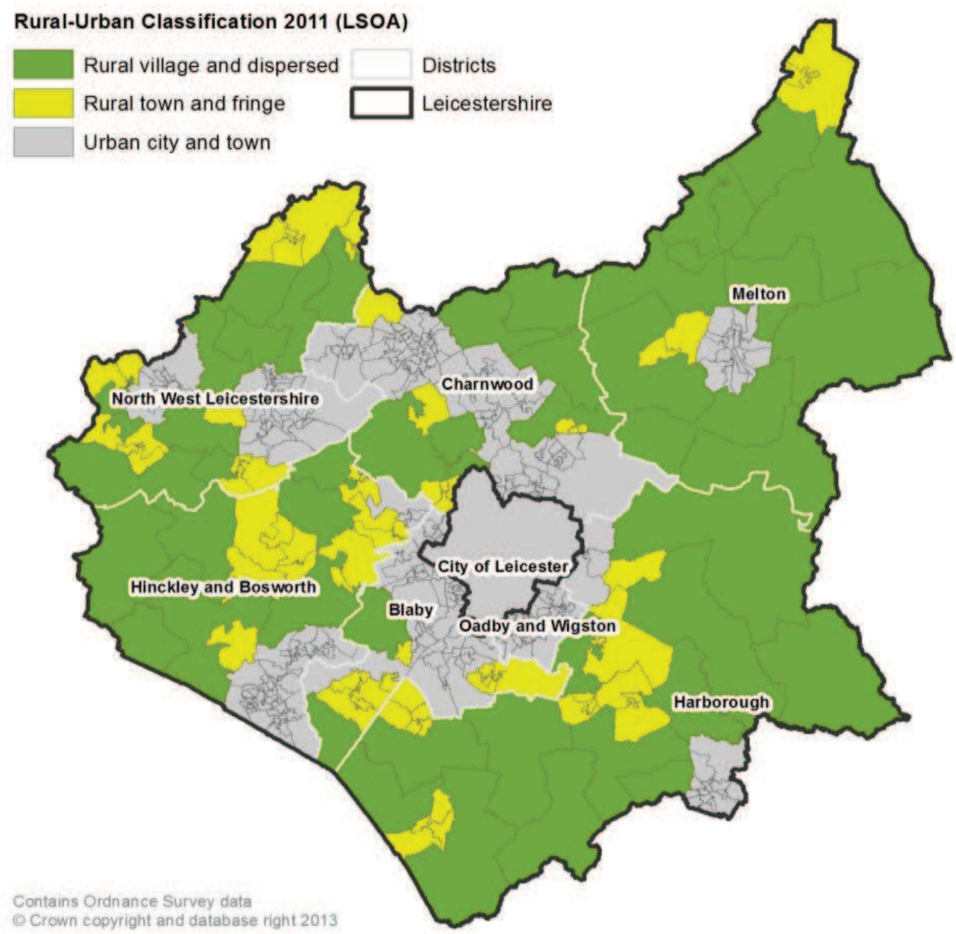
A number of these OECD insights emerge very clearly from the analysis of the economic data for Leicestershire.

Any analysis of rural economies needs to start from the position that rural and urban do not function discretely, rather they are interconnected. It is useful therefore to consider the physical on the ground characteristics of the county as a prelude to looking in detail at the nature of its economy, to form a clear view of how its rural and urban areas interconnect.

Rural Leicestershire

Rural Leicestershire has a population of just under 200,000 people, representing 30 percent of the population of the whole county. Map 1 below shows their distribution.

Map 1 - Leicestershire Rural Urban Classification 2011 by LSOA



Source: Office for National Statistics, 2013.

Population

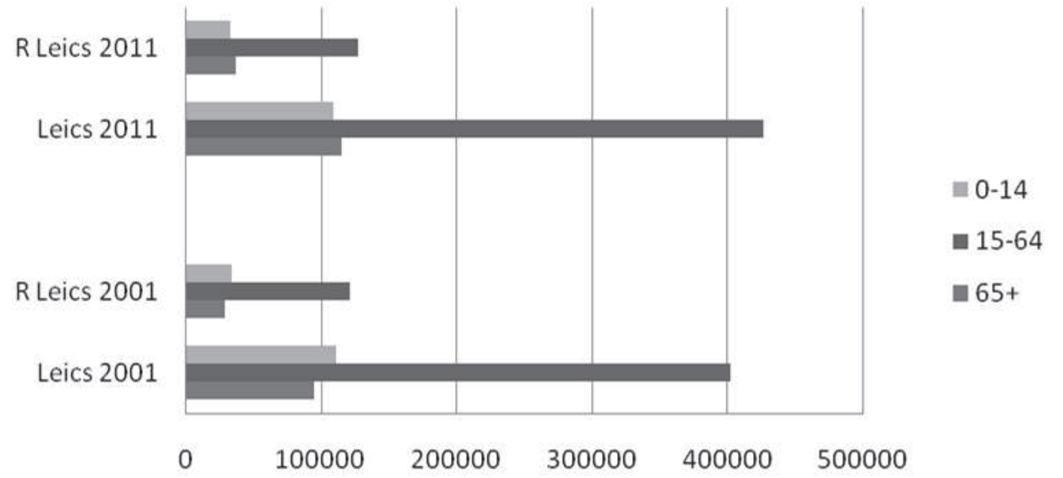
Rural Leicestershire is 30 percent of the population of the County - as indicated in Table 1 below. It is growing older more rapidly than the County and has a more steeply declining trend of young people than the County. The definition of rurality, drawn from the 2004 rural urban definitions used by Government contains a six fold division. Interestingly in Leicestershire all rural communities are “near rural” – either rural town and fringe or rural village and dispersed. The more isolated categories covering “sparse” rural communities do not apply in the county. The changes to the population of rural Leicestershire are set out below:

Table 1 - Leicestershire Population by Age and Rurality, 2001-11

		Age Band			
Area	**Year**	**0-14**	**15-64**	**65+**	**Total**
Leicestershire	2001	111,817	402,236	95,414	609,467
	2011	109,300	425,752	115,437	650,489
	Change	**-2.0**	**6.0**	**17.5**	**7.0**
Rural Leicestershire	2001	34,104	121,916	29,078	185,098
	2011	33,615	127,125	37,214	197,954
	Change	**-1.0**	**4.0**	**22.0**	**6.0**

Source: 2011 Census, Office for National Statistics, 2014.

Chart 1 - Population Change 2001-11



Source: 2011 Census, Office for National Statistics, 2014.

The rural population of the rural areas in Leicestershire's districts are also growing more slowly than the districts as a whole. This is set out in Table 2 below:

Table 2 - Leicestershire District Population by Rurality, 2001-11

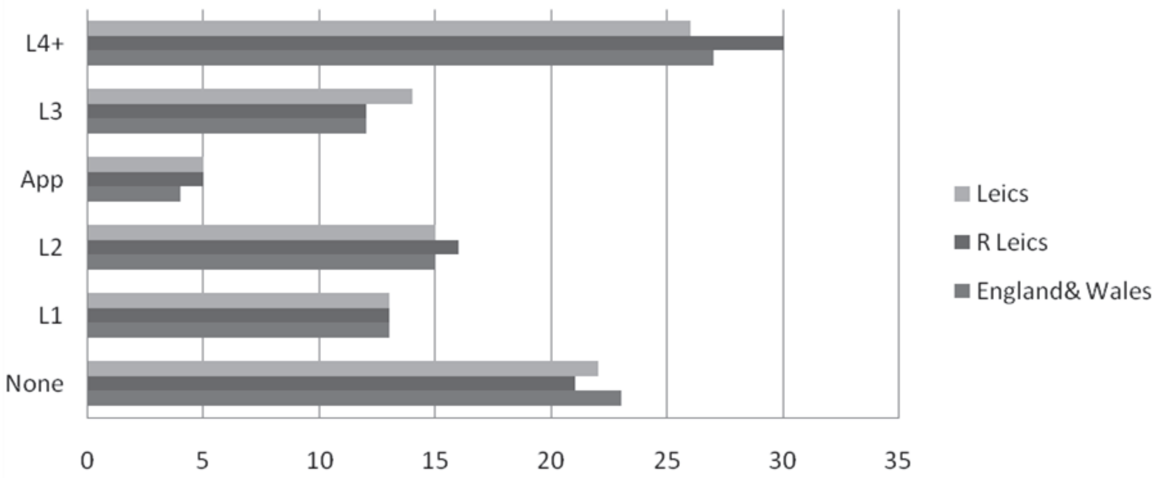
Local Authority		2001	2011	Percent Change	Classification [1]
Blaby	Total	90,250	93,915	4.0	LU
	Rural	**17,602**	**17,768**	**1.0**	
Charnwood	Total	153,453	166,100	8.0	LU
	Rural	**22,256**	**23,758**	**7.0**	
Harborough	Total	76,571	85,382	12.0	R80
	Rural	**51,422**	**52,015**	**1.0**	
Hinckley & Bosworth	Total	100,121	105,078	5.0	SR
	Rural	**30,898**	**32,485**	**5.0**	
Melton	Total	47,839	50,376	5.0	R80
	Rural	**20,701**	**21,415**	**3.0**	
North West Leicestershire	Total	85,514	93,468	9.0	R50
	Rural	**39,011**	**42,231**	**8.0**	

N.B. Oadby and Wigston Borough classed as entirely urban.
Source: 2011 Census, Office for National Statistics, 2014.

Qualifications

Rural Leicestershire has more highly qualified people than the national and county averages, with 30 percent of its population qualified to 'NVQ4 and above levels' compared to 26 percent for the county as a whole, and 27 percent for England and Wales. Chart 2 compares qualification levels across rural and urban Leicestershire.

Chart 2 – Percentage Population by Highest Qualification Achieved, 2011



Source: 2011 Census, Office for National Statistics, 2014.

Table 3 – Percentage Population by Highest Qualification Achieved, 2011

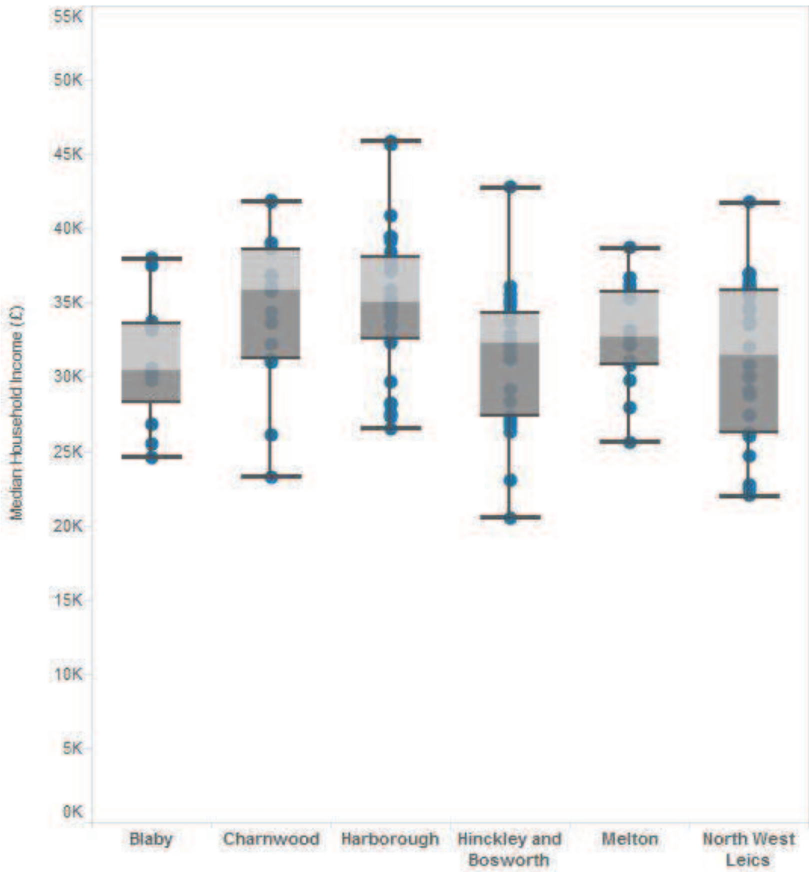
Area	England	Rural Leicestershire	Leicestershire
None	23	21	22
L1	13	13	13
L2	15	16	15
Apprentices	4	5	5
L3	12	12	14
L4+	27	30	26

Source: 2011 Census, Office for National Statistics, 2014.

Incomes

Rural Leicestershire has less extreme variations in income than the County as a whole – median incomes at LSOA level start from a higher base but fall short of highest levels of median incomes at county level. The chart below illustrates the distribution of rural incomes by LSOA. From the chart we can see that Charnwood and Harborough have the highest interquartiel range (the grey shaded boxes), while Harborough has the highest extremes of media income (the top black bar), while Hinckley and Bosworth exhibits the lowest extremes of income (the bottom black bar). Blaby and Melton have smaller ranges compared to the other districts, implying a much smaller range of median incomes across rural LSOAs.

Chart 3 - Median Income Distribution By Rural Lsoas



Souce: CACI, 2013

Table 4 – Income Range

Rural Leicestershire Median Range	Leicestershire Median Range	Rural Leicestershire Mean Range	Leicestershire Mean Range
£20,545	£16,931	£26,965	£22,010
£45,912	£54,874	£54,318	£64,879

Souce: CACI, 2013

Employment

Rural Leicestershire has a relatively smaller stock of jobs than the county as a whole and the England and Wales average in terms of job density. Job density (the stock of jobs divided by the working population) gives a good indication of the economic strength of an area. Areas with a low job density experience significant out-commuting effects. Areas with a high job density attract workers in from their adjoining areas. Rural Leicestershire has a job density of 0.64, compared to a figure of 0.74 for the county as a whole and 0.78 for England and Wales.

For more information on the Leicestershire economy, please refer to the 2011 Local Economic Assessment, available at the link below:

http://www.lsr-online.org/reports/leicester_and_leicestershire_economic_assessment_2011

Home Working

Rural Leicestershire has a higher proportion of home workers (based on those cited as working mainly from home in 2011 census) than the county or England and Wales. In terms of the rural population of districts, the east has the highest proportion of home workers, with the most significant number in Melton District. The details of the distribution of home workers across rural Leicestershire are set out below. It is not possible to compare changes in the number of home workers between 2001 and 2011 because the collection of data in relation to this characteristic has changed.

Table 5 - Home Workers as a Percentage of the Population, 2011.

Home Workers	Percentage of rural population
Blaby	4.2
Charnwood	5.7
Harborough	6.0
Hinckley & Bosworth	5.4
Melton	8.1
North West Leicestershire	4.4
Leicestershire	**3.5**
Rural Leicestershire	**5.8**
England and Wales	**3.8**

Source: 2011 Census, Office for National Statistics, 2014.

More detailed travel to work data from the 2011 Census can be found at the link below:

http://public.tableausoftware.com/views/Census2011-TransportKeyStats/ContextualData?:embed=y&:display_count=no&:showVizHome=no#

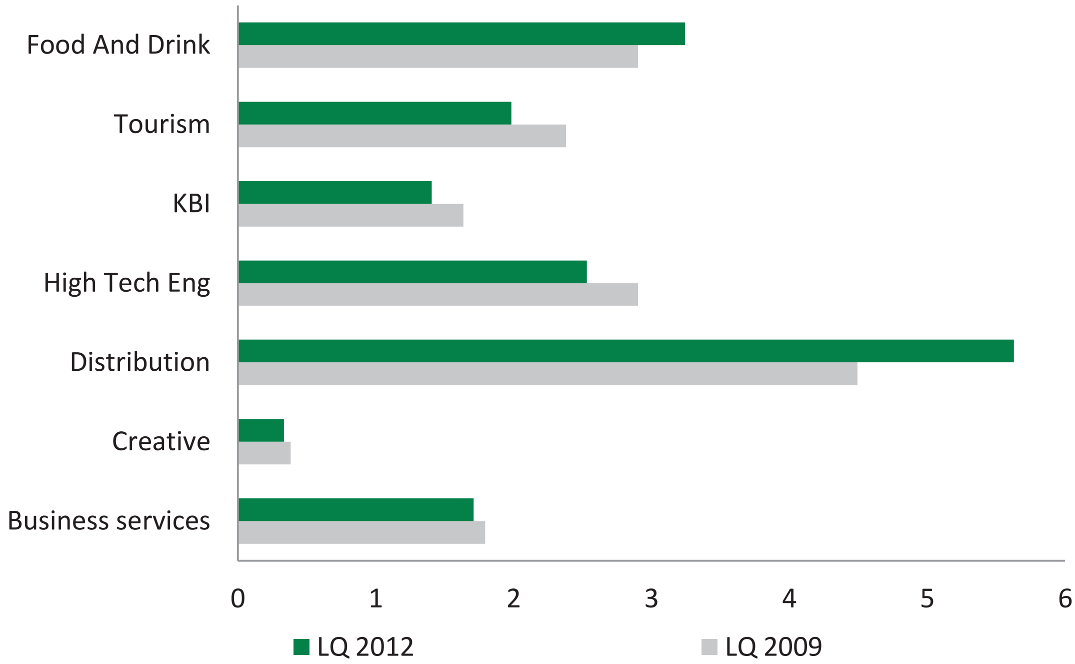
N.B. This analysis uses the 2005 Rural Urban Classification.

Sectors

Leicester and Leicestershire Enterprise Partnership have identified a number of key sectors which are important to the economic development of the area. These are: **Business Services, Creative Industries, Distribution, High Tech Manufacturing/ Engineering, Knowledge Based Industries, Tourism and Food and Drink**. We have looked at the location quotients for each sector in rural Leicestershire. Location quotients compare the proportion of people employed in a given sector in a given area to the national average. A quotient above 1 indicates a heavier proportionate representation and below 1 a lower proportionate representation.

Apart from Creative Industries there is a significant concentration of LLEP priority sectors in rural Leicestershire – Distribution, High Tech Engineering, Food and Drink and Tourism are particularly well represented. The location quotients in relation to these key sectors for 2009 and 2012 are set out in the chart below:

Chart 4 - Leicestershire LLEP Location Quotients, 2009-12



Source: Office for National Statistics, Business Register and Employment Survey (BRES) 2009-2012.

Table 6 – Leicestershire LLEP Location Quotients, 2009-12

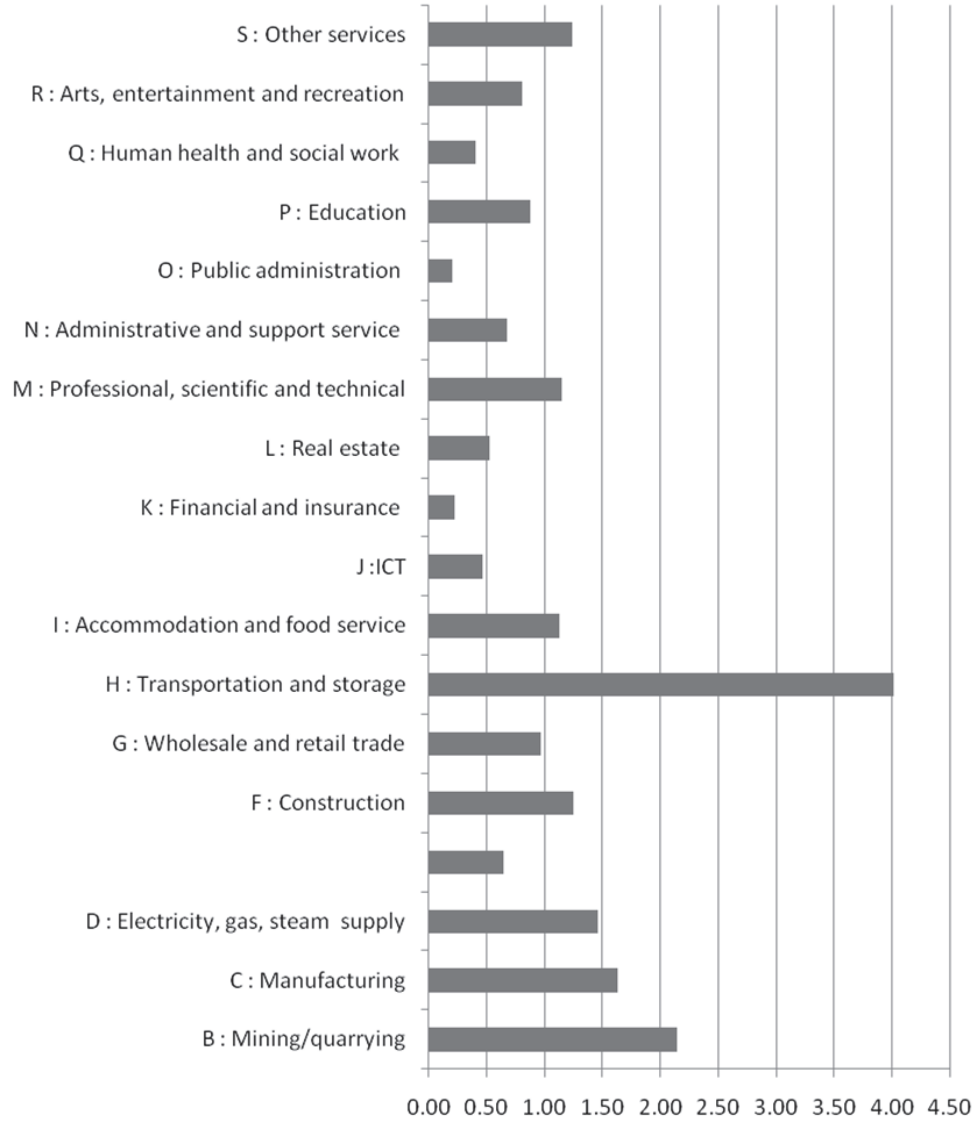
England	Jobs	Rural Leics 2009 Jobs	Rural Leics 2012 Jobs	LQ 2009	LQ 2012
Business Services	2,070,719	5,522	5,738	1.79	1.71
Creative	471,283	269	261	0.38	0.33
Distribution	1,621,889	10,831	14,504	4.49	5.63
High Tech Engineering	1,411,786	6,089	5,350	2.90	2.53
KBI	8,252,444	20,054	18,346	1.64	1.41
Tourism	1,773,994	6,277	5,689	2.38	1.98
Food & Drink	327,015	1,410	1,614	2.90	3.24
Total Jobs	24,235,809	63,559	59,478		

Source: Office for National Statistics, Business Register and Employment Survey (BRES) 2009-2012.

Full Sectoral Distribution

We have set out location quotients for key sectors in 2012 using Business Register and Employment Survey data. Key sectors with significant location quotients for rural Leicestershire comprise: Transportation and Storage, Electricity, Gas and Steam Supply, Manufacturing, Mining and Quarrying.

Chart 5 - Location Quotients, 2012



Source: Office for National Statistics, Business Register and Employment Survey (BRES) 2009-2012.

Rural Signature Sectors

We have looked at the development of a number of signature rural sectors in Leicestershire, consisting of; forestry, meat and butter/cheese production, land freight and tourism (in terms of accommodation and food outlets). All these sectors, whilst relatively small in overall numbers of jobs, have shown good rates of growth in rural Leicestershire throughout the recession (for example employment in forestry and land freight activities has doubled) and against a declining overall trend of employment in rural Leicestershire and in the country as a whole. The table below sets out our findings in this context in more detail:

Table 7 - Rural Employment Sectors, 2009-12

Area	Year	England and Wales	Leicestershire	Rural Leicestershire
Silviculture Forestry Support	2009	53,181	2,000	<100
	2012	**48,017**	**800**	**200**
Wood Products	2009	11,492	100	100
	2012	**11,571**	**200**	**100**
Manufacture of other products of wood	2009	5,990	<100	<100
	2012	**5,852**	**<100**	**<100**
Meat Processing and Production	2009	46,721	1,900	<100
	2012	**41,958**	**600**	**<100**
Butter and cheese production	2009	6,166	400	300
	2012	**5,739**	**500**	**400**
Freight and storage (Land)	2009	337,189	8,800	3,900
	2012	**365,166**	**13,400**	**7,000**
Holiday and Hotel Accommodation	2009	305,811	2,500	1,400
	2012	**341,796**	**2,800**	**1,700**
Restaurants	2009	870,819	9,300	3,200
	2012	**875,241**	**8,500**	**2,800**

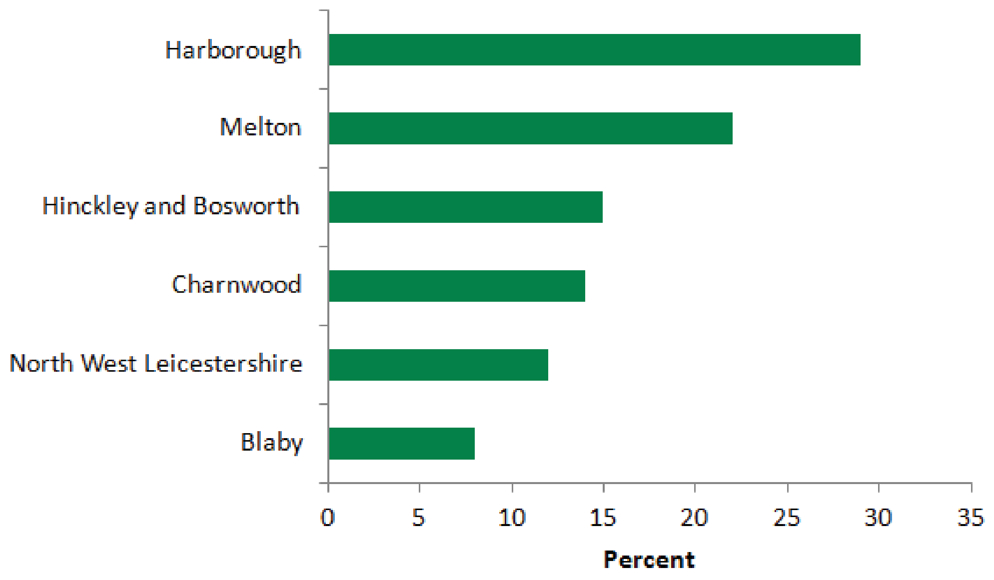
Source: Office for National Statistics, Business Register and Employment Survey (BRES) 2009-2012.

Farm employees

The other key rural sector examined is agriculture. Leicestershire has 5,000 people employed in agriculture – using jobs per head of population figure this is higher than the national average.

We have used the Defra Structure of Agricultural Industry, 2013 data to examine farm employees. This provides a more robust sample than BRES data. As the chart and table show below east Leicestershire in terms of Harborough and Melton have the most significant proportion of employees working in agriculture. Overall the number of employees in the sector is relatively stable compared to national trends.

Chart 6 - Distribution of Farm Labour, 2010



Source: Defra - Structure of Agricultural Industry, 2013.

Table 8 – Changes to the Number of Agricultural Employees by District, 2009-12

District	2007	2010	Percent Change	Jobs/ Population (percent)
Blaby	391	372	-5	0.4
Charnwood	619	707	14	0.4
Harborough	1,587	1,460	-8	1.7
Hinckley and Bosworth	827	758	-8	0.7
Melton	1,044	1,104	6	2.1
North West Leicestershire	620	608	-2	0.7
Leicestershire	**5,088**	**5,009**	**-2**	**0.8**
England	**308,140**	**293,170**	**-5**	**0.5**

Source: Defra - Structure of Agricultural Industry, 2013

Sector Overview

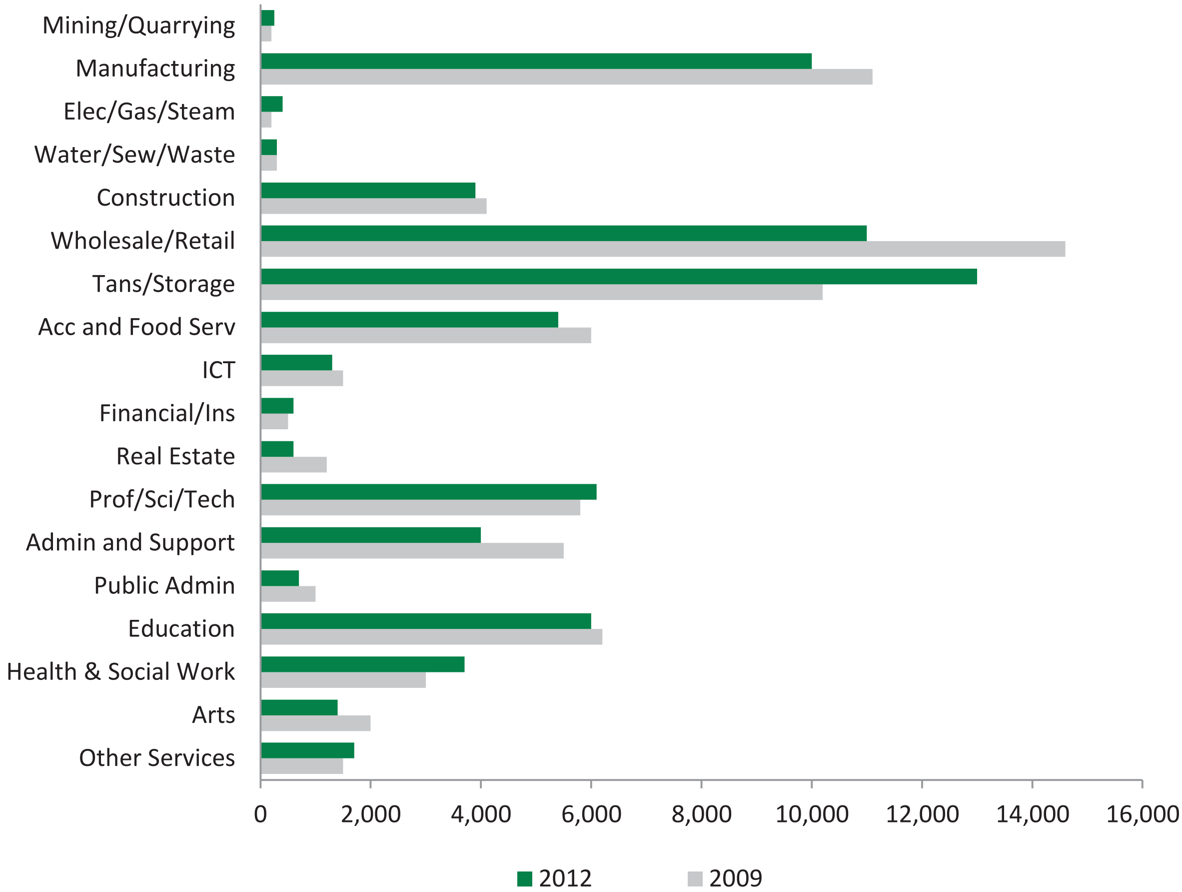
Overall rural Leicestershire has suffered significantly from the recession. Its jobs base in 2012 is 9 percent smaller than it was in 2009 in terms of LLEP priority sectors and 6 percent smaller overall. It has lost jobs in the following key areas: manufacturing, wholesale and retail, education and the arts, it has gained jobs in transportation and storage. It has fared worse in terms of job losses during the recession than Leicestershire (which lost 2 percent of its jobs) and England and Wales (which saw a net increase in jobs of 1 percent) in relative terms. The detail of the changes in the business base across all sectors between 2009 and 2012 is set out in the chart and table below:

Table 9 - Employment Change, 2009-12

Area	2009	2012	Percent Change
Leicestershire	226,021	221,141	-2
Rural Leicestershire	74,950	70,300	-6
England	20,609,210	20,817,863	1

Source: Office for National Statistics, Business Register and Employment Survey (BRES) 2009-2012.

Chart 7 – Employment Change by Sector, 2009-2012.

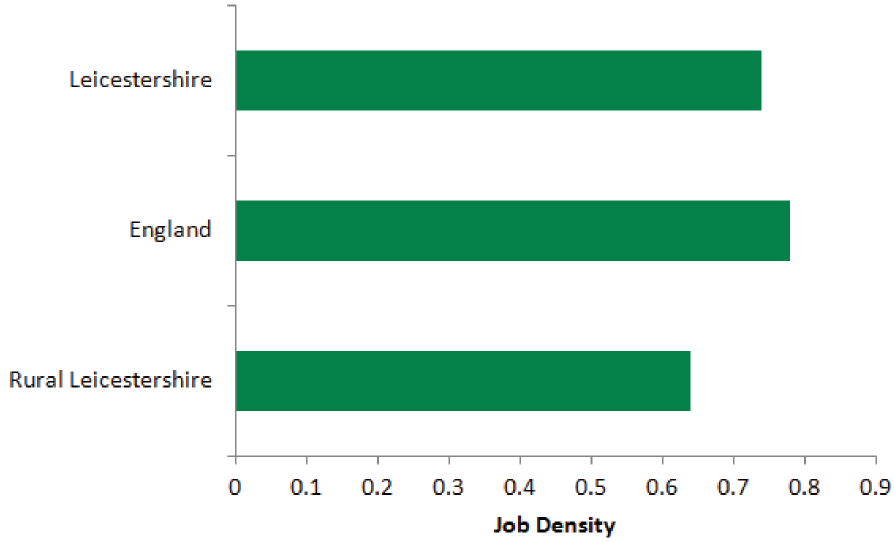


Source: Office for National Statistics, Business Register and Employment Survey (BRES) 2009-2012.

Job density and distribution

In common with many rural areas rural Leicestershire has a relatively smaller stock of jobs than the county as a whole and the England average. This is illustrated in Chart 8 and Table 10 below.

Chart 8 - Job Density



Source: Nomis, 2011.

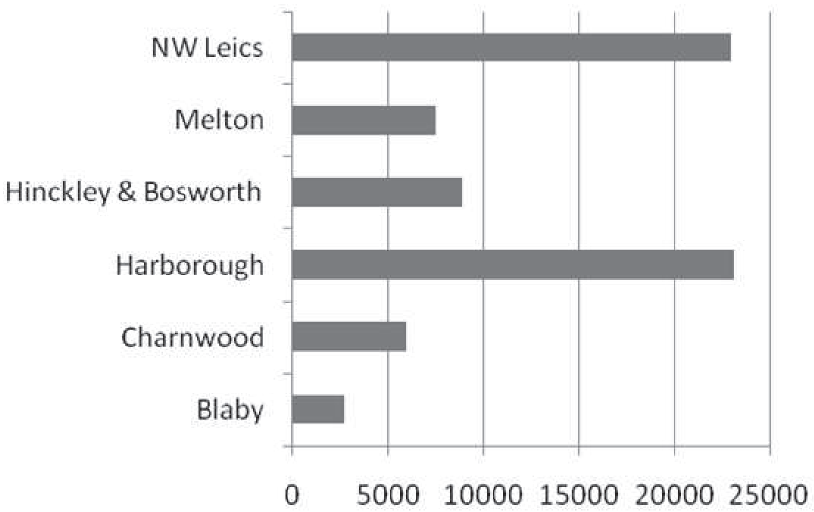
Table 10 - Job Density

Area	Job Density
Rural Leicestershire	0.64
England	0.78
Leicestershire	0.74

Source: Nomis, 2011.

Looking at the distribution of employment across the rural components of each District, Harborough (23,182) and North West Leicestershire (22,969) have the largest rural economies by a significant margin. They have significant concentrations of wholesale and retail jobs (3,900 and 3300 respectively) and transport and storage jobs (6200 and 5200 respectively).

Chart 9 - Stock of jobs



Source: Office for National Statistics, Business Register and Employment Survey (BRES) 2009-2012.

Businesses

Rural Leicestershire has a higher proportion of businesses per head of population than the county and national averages. It also has a higher stock of micro enterprises (0-9 employees) than the national and county averages. The relatively smaller proportion of businesses in the "middle categories" of 10-49 and 50-249 employees in rural Leicestershire raises the question about how easy it is for small and micro-businesses to make the transition to larger scale employment in the area. Details of the distribution of businesses across size bands are set out below:

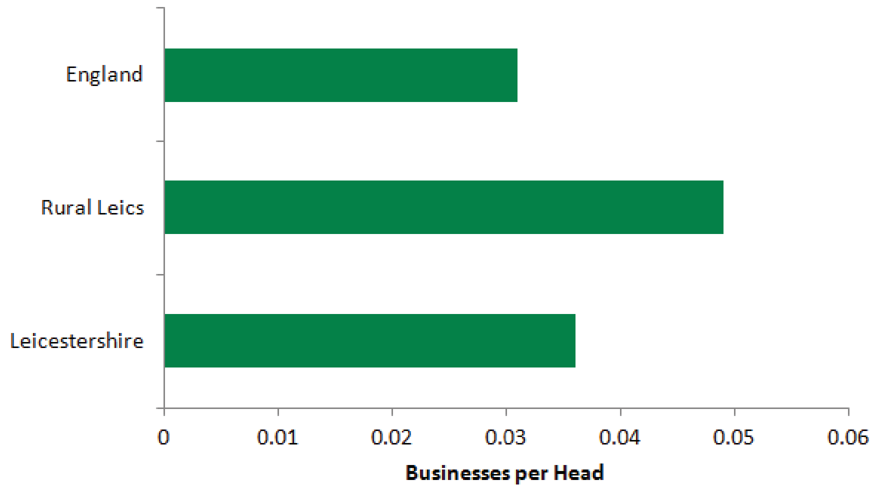
Table 11 - Business distribution by size band, 2011

	Rural Leicestershire		Leicestershire		England & Wales	
Business Size	Count	Percent	Count	Percent	Count	Percent
0-9	8,560	91.4	21060	89.0	1,660,770	89.0
10-49	660	7.0	2095	8.8	169,700	9.0
50-249	130	1.3	350	1.5	29,990	1.6
250+	10	0.1	90	0.3	7,790	0.4
All Businesses	9,360	100.0	23,590	100.0	1,868,255	100.0

Source: Nomis, 2011.

Rural Leicestershire also has a higher stock of businesses per head of population than the whole county or England as set out in Chart 10 and Table 11 below:

Chart 10 - Businesses per Head



Source: Nomis, 2011.

Table 12 – Businesses per Head

Area	Businesses	Population	Businesses/Head
Leicestershire	23,585	650,489	0.036
Rural Leics	9,730	197,954	0.049
England	1,780,815	56,100,000	0.031

Source: Nomis, 2011.

Fluctuations in the Number of Businesses

The specific change in the overall stock of businesses at district level between 2009 and 2011, shows a pattern of slow recovery from the recession, with an overall reduction in the business stock in each district. Harborough and North West Leicestershire have lost the largest number of businesses, although North West Leicestershire experienced a growth in the number of businesses in 2011. Melton which has the smallest stocks of businesses overall also experienced the smallest loss of businesses.

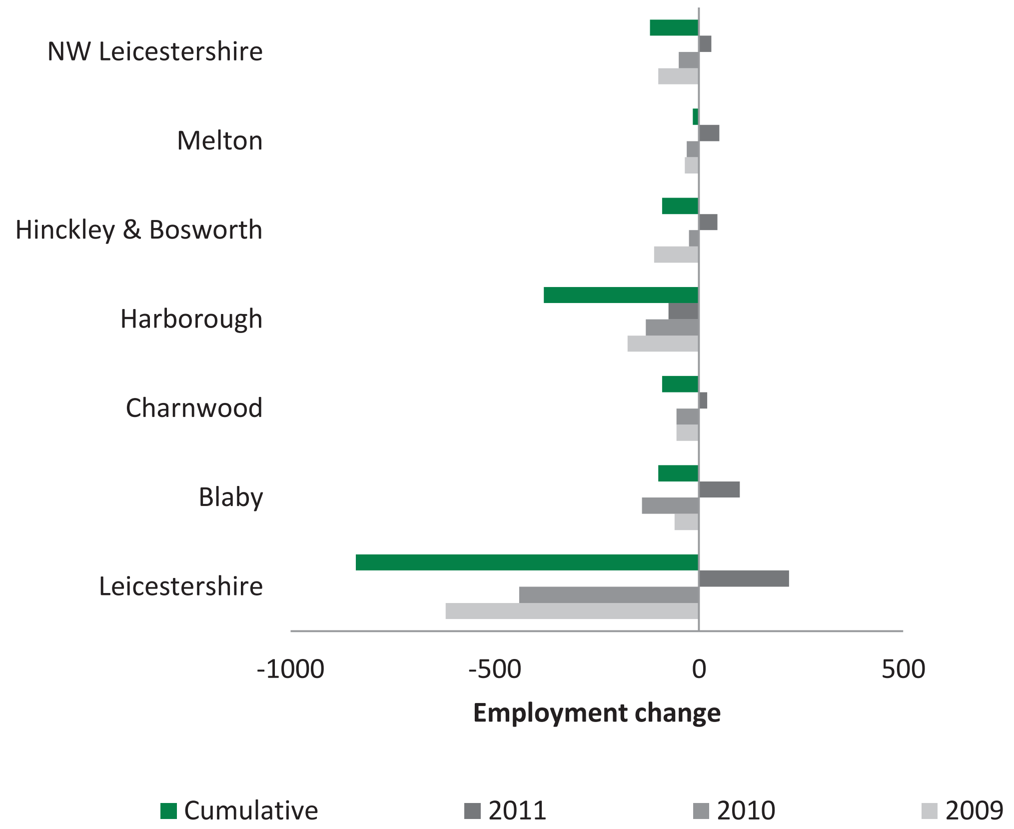
Table 13 - Small Business Change by Local Authority, 2009-11

Area	Year			Total 2009-2011
	2009	2010	2011	
Blaby	-60	-140	100	-100
Charnwood	-55	-55	20	-90
Harborough	-175	-130	-75	-380
Hinckley & Bosworth	-110	-25	45	-90
Melton	-35	-30	50	-15
North West Leicestershire	-100	-50	30	-120
Leicestershire	**-620**	**-440**	**220**	**-840**
England and Wales	**-39,820**	**-14,115**	**29,900**	**-24,035**

Source: Nomis, 2011.

Unfortunately data is not available for post 2011 but the one key rural issue to consider is the significant net loss of businesses up to this time in Harborough, which is the largest rural economy in the county. It is also interesting to note the relative resilience of the business base in Melton where the overall fluctuation in the number of businesses has been the least pronounced of any district area.

Chart 11 - Changes to Business Stock, 2009-11



Source: Nomis, 2011.

The breakdown of businesses lost in each district is set out in the table below:

Table 14 - Business Stock Change by Year, 2009-11

Area	2009	2010	2011	Totals
Blaby	-60	-140	100	-100
Charnwood	-55	-55	20	-90
Harborough	-175	-130	-75	-380
Hinckley & Bosworth	-110	-25	45	-90
Melton	-35	-30	50	-15
North West Leicestershire	-100	-50	30	-120
Leicestershire	-620	-440	220	-840
England and Wales	-39,820	-14,115	29,900	-24,035

Source: Nomis, 2011.

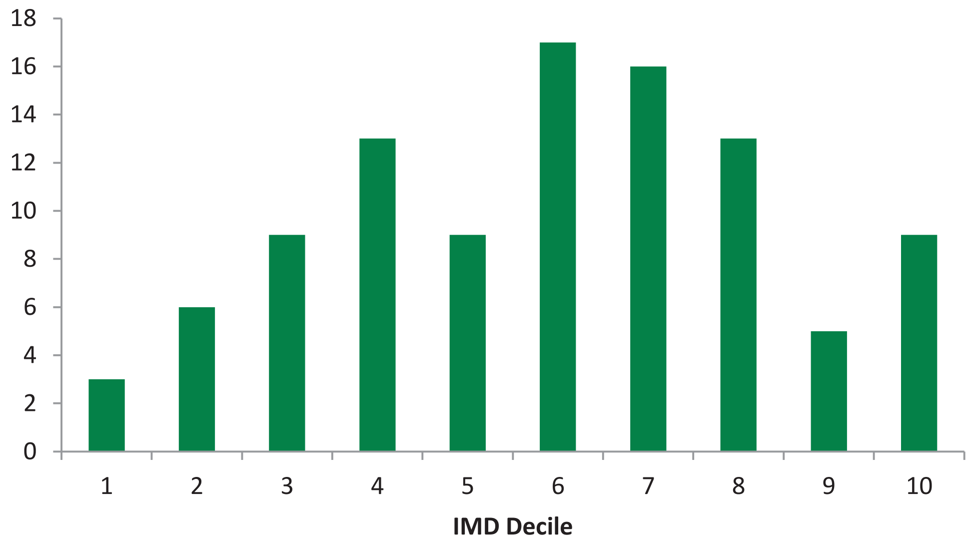
Deprivation

Whilst rural Leicestershire has some pockets of deprivation (Index of Multiple Deprivation 2010) it is relatively less deprived than the county as a whole. Only four LSOAs (3 percent of the total LSOAs in the county) are amongst the most deprived 10 percent in Leicestershire.

Reference 2010 Indices of Deprivation headline report:
http://www.lsr-online.org/reports/indices_of_deprivation_2010_leicestershire_headline_results

Note that while rural areas are not generally amongst the most deprived in the county for overall (multiple) deprivation, rural areas are ranked highly for 'Barriers to Housing' and 'Access to Services' deprivation due to the lack of affordable housing and longer distances to key services.

Chart 12 – Rural Leicestershire IMD Deciles (At County Level)



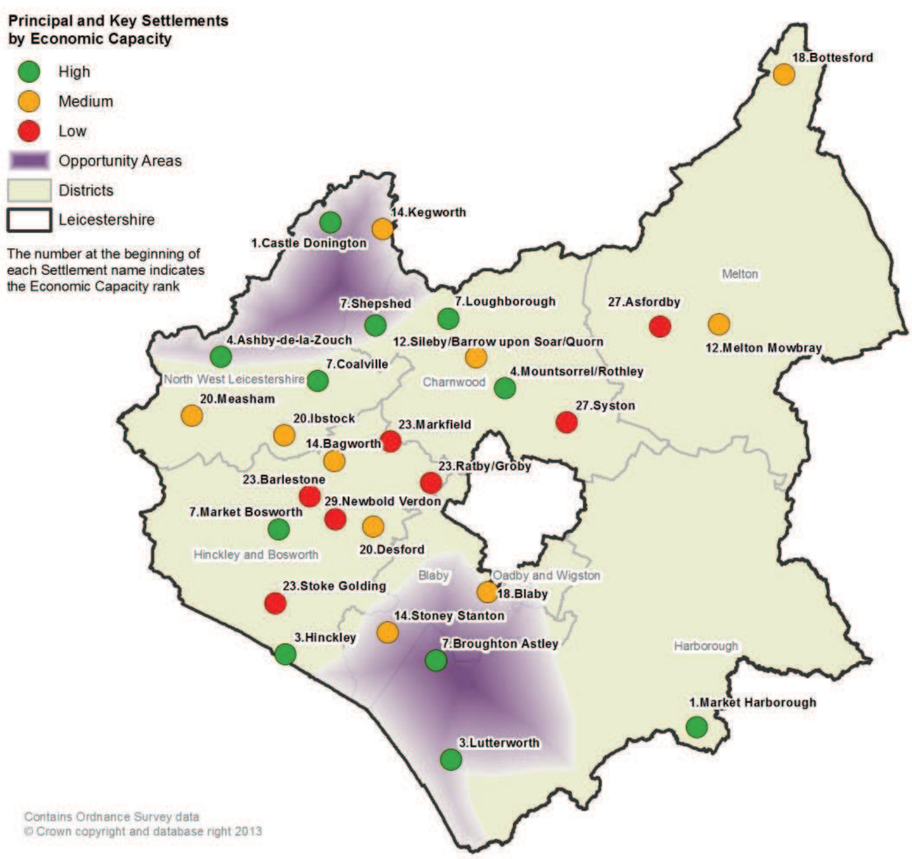
Source: Department for Communities and Local Government. Index of Multiple Deprivation, 2010.

Rural Settlements

Identified through consultation with planning authorities, there are 33 places which comprise the principal and key settlements across Leicestershire's rural districts. These have a population of 340,112 and have been grouped into 29 settlements / clusters which are illustrated in Map 2 below.

A simple assessment of the economic capacity of each settlement cluster looking at the interplay of population, income levels and job density, has been applied. Where all three are high the settlements can be deemed to have high economic capacity. Where they are low they can be deemed to have low economic capacity. For further details of the Settlement Analysis see Appendix 1. Where there is a rural hinterland bounded by settlements with relatively strong economic capacity we have identified it as a rural opportunity area.

Map 2 - Leicestershire Rural Areas and Principal and Key Settlements



East and West Leicestershire

This analysis clearly shows that below the county level it is possible to split the rural areas within the county into two discrete areas.

The Sparse Eastern Area
This area runs east from the M1 through Harborough and Melton districts and has a dispersed pattern of very small service centres and only effectively 7 larger service centres, Lutterworth, Market Harborough, Melton Mowbray, Leicester, Corby, Oakham and Grantham. 3 of these settlements are outside of the County.

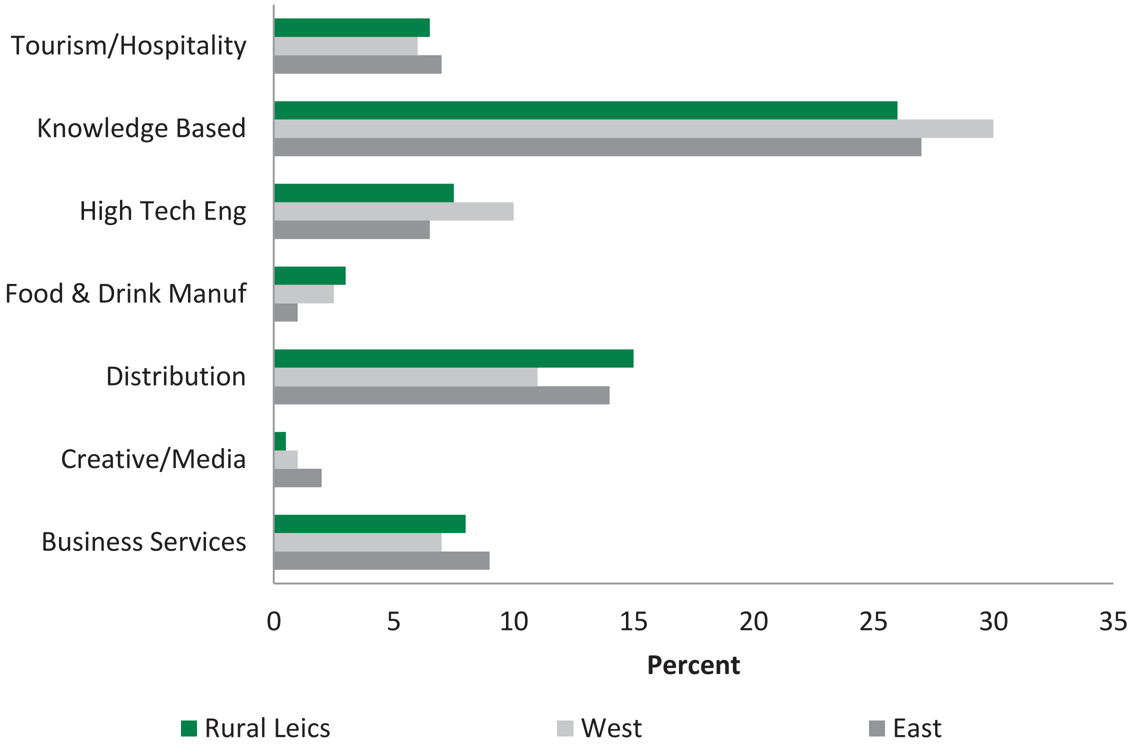
The Less Sparse Western Area
This area runs west from the M1 through Blaby, Hinckley and Bosworth, North West Leicestershire and Charnwood districts. It has a more densely distributed pattern of larger rural service centres and the major towns of Hinckley, Coalville and Loughborough. Leicester also stretches more extensively into this area with significant connections into the south and west linked to the M1 and M69.

Map 2 below shows the configuration of the two areas and the distribution of the main clusters of settlements within it. Consultation with the local authority sector has identified 103 significant settlements from an economic development perspective in the county. These are split in a descending order of hierarchy between principal, key and secondary settlements. We have consolidated the principle and key settlements into clusters for the purpose of analysis and they are set out in the map below. The colour coding indicates their relative economic capacity which is described in more detail further on in this narrative in the settlement analysis section.

East and West Sectors

The percentage of LLEP priority sector jobs in each area is set out in the chart below – it broadly follows the ratios for rural Leicestershire with a few notable variations. The less sparse west has a considerably smaller share of its workforce employed in distribution and interestingly, reflecting the fact that much of the food and drink manufacturing in east Leicestershire is in secondary settlements (1900 compared to 100), its main service centres have a relatively smaller proportion of their workforce employed in this sector than the county or the west. The overall distribution of priority sector business stock is set out below:

Chart 11 - Percentage of Business Stock by Sector, 2009-12



Source: Office for National Statistics, Business Register and Employment Service (BRES) 2009-2012

East and West Jobs

The stock of jobs is far higher in the service centres in the less sparse west area – 113,000 compared to 20,000 in the sparse east area. This is also true of the distribution of jobs across the totality of each area (rural and urban): 49,400 in the east and 154,268 in the west. In the east 59 percent of jobs are based in rural areas outside of the service centres, compared to only 27 percent in the west.

Table 14 - Rural Leicestershire Employment by East/ West, 2011

Area	Jobs
East Service Centres	20,314
East Rural	29,086
East Total	**49,400**
West Service Centres	113,054
West Rural	41,214
West Total	**154,268**

Source: Nomis, 2011.

Table 15 - East and West Service Centre Employment by Sector, 2012

	East Service Centres	West Service Centres	Rural Leicestershire
Total Jobs	20,314	113,054	70,300
	Percent		
Business Services	9.6	7	8
Creative & Media	1.2	1	0.3
Distribution & Logistics	18.3	11	20
Food & Drink Manufacturing	0.6	2	2
High Tech Engineering	7.2	10	8
Knowledge Based	27.8	30	26
Tourism & Hospitality	8.6	7	8

Source: Office for National Statistics, Business Register and Employment Survey (BRES) 2009-2012

District Settlement Characteristics

Harborough District identifies only 3 service centres which comprise 49% of its population, all are based in the south and west of the district and in relative terms (in relation to their population ranking of all service centres in rural Leicestershire) are large settlements – respectively the 4th, 10th and 11th settlements within the 29 areas considered. The rest of its district is very sparsely populated, particularly the areas to the north and east of the A6. The north west of the district is proximate to the City of Leicester, but only Thurnby (a secondary centre) has any significant built up area. Melton Mowbray, Oakham and Corby are the nearest settlements to the eastern boundaries of the district.

Melton Borough has 65% of its population based in its three service centres. It has an extensive range of secondary centres most of which are very small with the largest settlement overall outside of Melton Mowbray having a population of just 3,348 people (Bottesford). Melton Mowbray therefore performs a very important role as its only significant settlement; Loughborough and Leicester are relatively proximate in its south western boundary.

Charnwood Borough is the most urban focused of the districts with 75% of its population living in service centres and Leicester proximate to its southern boundary. Loughborough is the biggest service centre apart from Leicester in the County and the district also has 4 large service centres in clusters and on a stand-alone basis in the top ten of all relevant rural service centres by population. The most rural area within the district is in the north east between the A6 and the boundary with Melton District.

Hinckley and Bosworth Borough identifies a significant number of small rural service centres, 7 of the 10 smallest centres identified across the county are in this district. 66% of the district's population live in service centres comprising an extensive small settlement pattern bounded in the south west by Hinckley and south east by Leicester. Nuneaton and Atherstone which are proximate to its western boundaries are important service centres in the West Midlands. The vast majority of the district however is served by a distributed network of smaller settlements. Like Harborough which has a settlement structure in its north eastern segment which is largely akin to the adjoining Melton district, Hinckley and

Bosworth's settlement structure is broadly akin to the adjoining area south west of the A511 between Ashby-de-la-Zouch and Coalville in North West Leicestershire.

North West Leicestershire District has 63% of its population based in service centres. Like Hinckley and Bosworth it has a relatively well distributed pattern of service centres of modest size in the 5-6,000 population bracket. Indeed outside of Coalville which is the third largest service centre in rural Leicestershire it has no settlement of over 7,000 population.

Blaby District looks largely to Leicester at its north eastern boundary, its settlement pattern in the south and west of its area is broadly similar to Hinckley and Bosworth and North West Leicestershire with Stony Stanton as its only rural service centre. As a consequence of the significant distribution of population in settlements which effectively connect into the urban fabric of Leicester only 13% of its population (including Blaby town centre) can be deemed to be in principal and key centres.

Settlement Analysis

This settlement ranking demonstrates that the three main centres in Harborough within the sparse east section of the rural county are amongst the most robust of all – each being in the top six of 29 areas. The low population base of the two smaller service centres in the other district in east Leicestershire (Melton) is a major factor for their economic capacity rating, although Asfordby ranks low across all 3 measures (population, income levels and job density).

There are some clear reasons for the dynamism of a number of settlements at the top of the table Castle Donington clearly has significant job density arising from East Midlands Airport, Market Harborough, Hinckley, Coalville and Loughborough are all large principal settlements and it is not surprising for them to feature in the top ten. Lutterworth, Broughton Astley and Market Bosworth stand out as distinctive and important service centres in the top ten settlements in terms of capacity. Ashby-de-la-Zouch and Shepshed are ranked, as relatively large service centres, where they might be expected within the top ten.

Eight of the service centres in the bottom ten have low jobs density. They are all relatively small although Mountsorrel and Rothley, Ibstock and Syston are middle sized rural service centres. Apart from Asfordby the other nine settlements in the lowest ten are in the less sparse west of the rural county.

In the east there are relatively few service centres and those which do exist are very important to the local economy: Market Harborough, Lutterworth, Broughton Astley, Bottesford, Asfordby and Melton Mowbray. Secondary centres are important in this area but in many cases are so small as to be challenging in terms of strategies to grow and sustain wider economic benefits through their development.

The dispersed settlement pattern in the east of the county can have the impact of causing us to overlook the rural credentials of the west. North West Leicestershire which is growing relatively rapidly and Hinckley and Bosworth both have significant rural economies and across the whole western rural geography key service centres provide over 100,000 further proximate jobs.

Job density figures demonstrate that the majority of service centres have a lower ratio of jobs per head of population than the national average emphasising the importance of adjoining settlements outside of Leicestershire including: Nuneaton, Atherstone, Corby, Oakham, Grantham, Nottingham, Derby, Corby, Tamworth and Coventry. The economic impact of Leicester is also greatest in this area as it has grown around the M1 and M69 corridors.

Outside of the most obvious rural service centres, the following service centres represent interesting opportunities in terms of their relative economic strength: Lutterworth, Broughton Astley and Market Bosworth. Ashby-de-la-Zouch and Shepshed, whilst more obvious candidates as service centres form an interesting connection linking the rural components of Charnwood and North West Leicestershire connected with the A512 and capable of also drawing on the strength of Castle Donnington to form a “triangle of opportunity” further bolstered by Loughborough and Kegworth in this area. Lutterworth, Broughton Ashley and Hinckley also form a second corridor of opportunity running between the M1 and M69 and potentially across as far as the A6.

Melton is the most challenged rural area in terms of key service centres; it is relatively isolated from major settlements and depends heavily on Melton Mowbray. This suggest the secondary settlements in this district are relatively more important than in a number of the other districts in terms of economic development

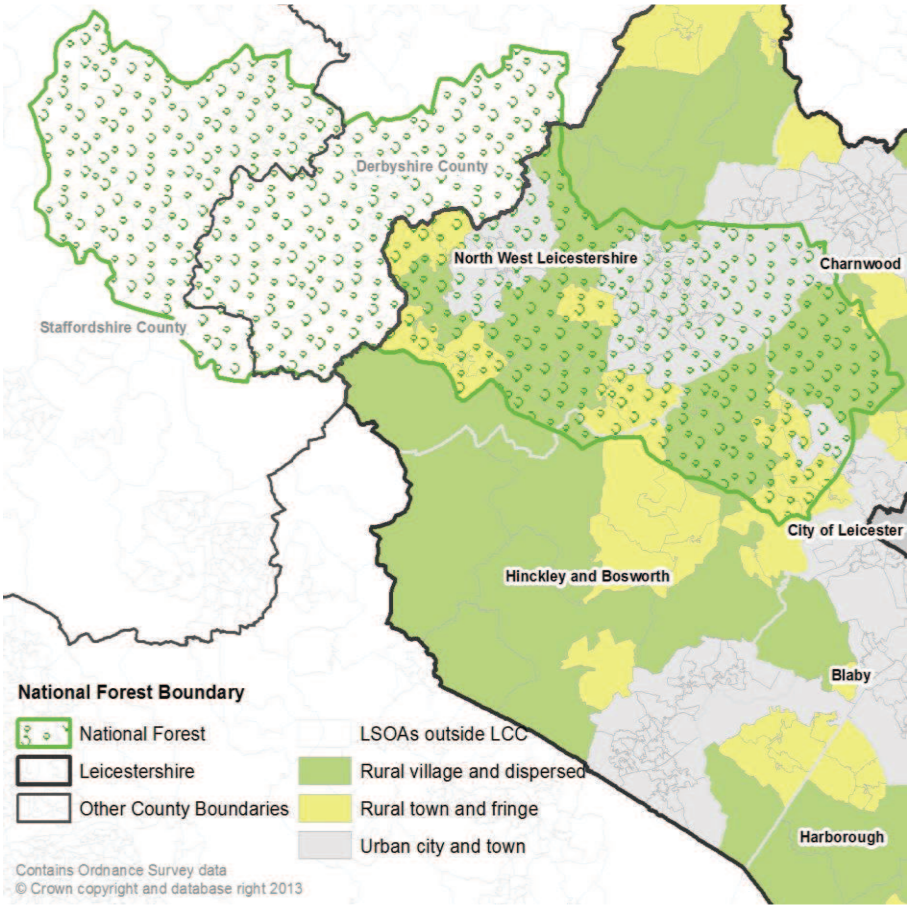
Ibstock, Measham, Markfield and Syston all stand out as being less robust in terms of their service centre roles. Syston’s challenges are to an extent ameliorated by its proximity to Leicester but the other three settlements do adjoin significant rural hinterlands.

National Forest

Introduction

The National Forest is an important component of rural Leicestershire. It has just published its own economic impact report (Genecon March 2014). It is a large landscape however which also reaches substantially into Derbyshire and Staffordshire. This digest provides an economic profile for the whole area. A schematic map showing the distribution of the forest across Leicestershire Districts and Derbyshire and Staffordshire is set out below:

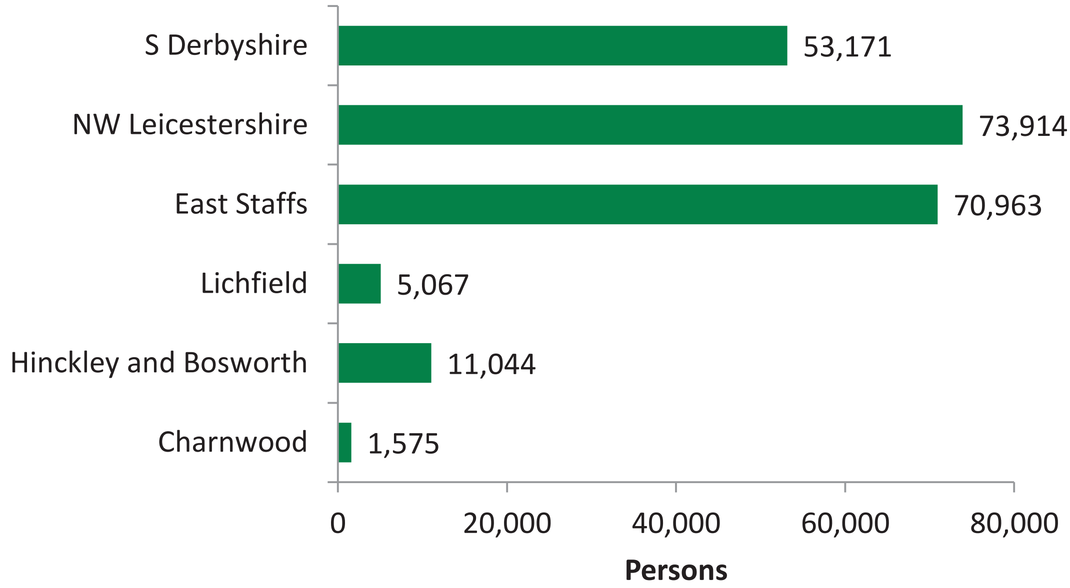
Map 5 - National Forest Area



Population

The population of the National Forest is distributed principally across three local authority districts on the basis set out in the diagram with minor populations in Charnwood, Lichfield and Hinckley and Bosworth. It spans parts of the East and West Midlands. The LSOAs which it covers are attached as an appendix.

Chart 15 – National Forest Population Distribution



Source: Census 2011. Office for National Statistics, 2014.

Demography

The National Forest has demography, which is broadly in line with England and Leicestershire. It has proportionately slightly younger people and proportionately slightly fewer over 65s.

Table 21 – National Forest Demography

Area	All usual residents	Up to 15		Working Population		Over 65's	
		Count	Percent	Count	Percent	Count	Percent
National Forest	215,734	42,154	0.20	138,149	0.64	35,431	0.16
Leicestershire	650,489	117,381	0.18	417,671	0.64	115,437	0.18
England and Wales	53,012,456	10,022,836	0.19	34,329,091	0.65	8,660,529	0.16

Source: Census 2011. Office for National Statistics, 2014.

Businesses

The National Forest has a higher proportion of micro-businesses than Leicestershire or England and Wales. It has no businesses employing more than 249 people.

Table 22 – Distribution of Business

Business Size	National Forest		Leicestershire		England & Wales	
	Count	Percent	Count	Percent	Count	Percent
0-9	5,805	93	21,060	89	1,660,770	89
10-49	400	6	2,095	8.8	169,700	9
50-249	5	1	350	1.5	29,990	1.6
250+	0	0	90	0.3	7,790	0.4
All Businesses	6,210	100	23,590	100	1,868,255	100

Source: Office for National Statistics, Business Register and Employment Survey (BRES) 2009-2012

Job Density

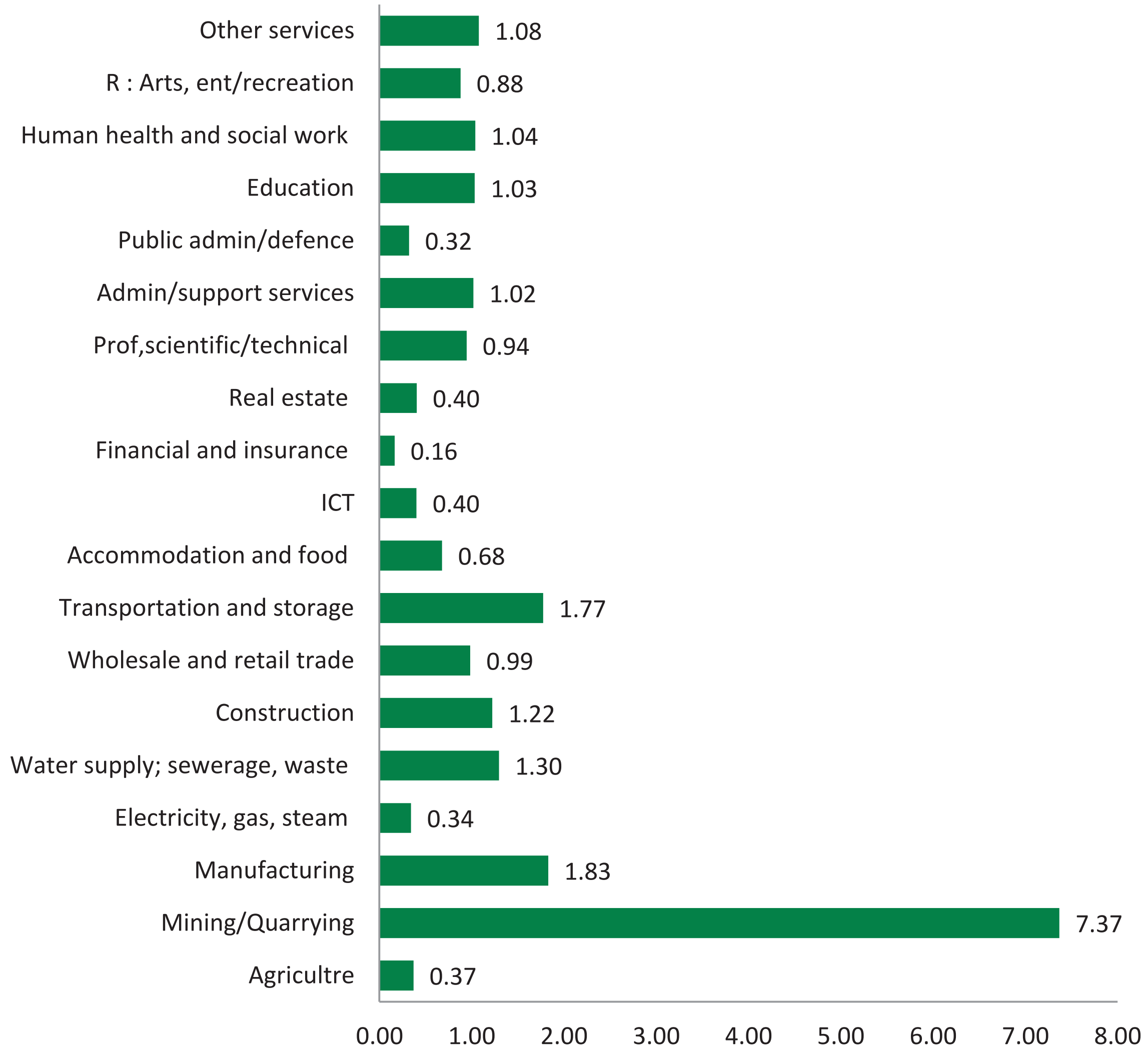
The National Forest has a relatively smaller stock of jobs than the county as a whole and the England and Wales average in terms of job density. Job density (the stock of jobs divided by the working population) gives a good indication of the economic strength of an area. Areas with a low job density experience significant out-commuting effects. Areas with a high job density attract workers in from their adjoining areas. The National Forest has a job density of 0.54, compared to a figure of 0.74 for the county as a whole and 0.78 for England and Wales

Location Quotients

We have looked at the location quotients for each sector in the National Forest. Location quotients compare the number of people employed in a given sector in a given area to the national average. A quotient above 1 indicates a heavier proportionate representation and below 1 a lower proportionate representation.

The National Forest has a higher than national representation in the following sectors: Mining and Quarrying, this has risen very significantly since 2009 through the creation of 700 new jobs in one LSOA in North West Leicestershire, other significant sectors are: manufacturing, water supply and sewerage, construction and transportation and storage.

Chart 16 – National Forest Sector Location Quotients



Source: Office for National Statistics, Business Register and Employment Survey (BRES) 2009-2012

Home workers

The National Forest has a significantly higher proportion of home workers than England and Wales, Leicestershire or Rural Leicestershire.

Table 23 – National Forest Homeworkers as a Percentage of Population

Home Workers	Percent Rural Population
Leicestershire	3.5
Rural Leicestershire	5.8
England and Wales	3.8
National Forest	7.1

Source: Census 2011. Office for National Statistics, 2014.

Qualifications

The National Forest has a higher proportion of people with lower levels of qualifications and a lower proportion of people with higher qualifications than Leicestershire or England.

Table 24 – Highest Level of Qualification, Percent.

Qualification	National Forest	Leicestershire	England and Wales
No Qualifications	26	22	23
NVQ1	14	13	13
NVQ2	16	16	15
Apprenticeships	4	5	4
NVQ3	12	14	12
NVQ4	22	26	27
Other Qualifications	5	4	6

Source: Census 2011. Office for National Statistics, 2014.

Fluctuations in the number of businesses

Fluctuations in the stock of businesses are only available at the level of local authorities. We have analysed changes between 2009 and 2011 in the stock of businesses for the three largest local authority areas within the National Forest and benchmarked them with England and Wales.

Table 25 – Fluctuations in the Business Base

Jobs Stock Area	2009	2010	2011	Totals
South Derbyshire	-60	-65	25	**-15**
North West Leicestershire	-100	-50	30	**-120**
East Staffordshire	-105	-70	65	**50**
Leicestershire	-620	-440	220	**-840**
England and Wales	**-39,820**	**-14,115**	**29,900**	**-24,035**

Source: Nomis, 2011.

Summary

The National Forest is a large, cross regional rural area with 40 percent of its population in Leicestershire. It has a relatively younger age profile than the rural parts of the county. It has a very high proportion of small businesses and a relatively low job density. This suggest that it has a significantly leakages of workers to adjoining areas. The area is well represented in terms of primary, manufacturing, construction and transportation sectors.

The area has a lower base of well qualified individuals and a higher proportion of home workers than the Leicestershire or England and Wales. It has experienced net falls in the stock of jobs in two of its three largest districts, with a modest rise in the number of businesses in East Staffordshire.

The National Forest forms an important landscape context in the north west of the county and provides scope for wider collaboration around tourism and the development of the forestry sector between rural Leicestershire and its neighbours.

Analysis

This analysis is based on a combination of discussion at the Leicestershire Rural Partnership triangulation meeting at Snibston Discovery Centre in December 2013 (attached as Appendix 2) and a consideration of the data used for the study.

At a county wide level a number of opportunities and challenges arise from the development of this evidence base.

County Wide Perspective

Population/Development Trends

Rural Leicestershire is growing more slowly in terms of population than urban Leicestershire. This is an important issue in terms of the relative viability of its rural communities and suggests that economic activity is likely to become increasingly concentrated in the county's urban centres.

When considered alongside the smaller proportion of larger businesses in rural Leicestershire than in the county as a whole this suggests that there may be market failure in the supply of suitable business sites in the county's rural areas. These trends are very much in tune with the experience of other rural economies in England.

Evidence collected for the establishment of the Leicestershire Rural Partnership Planning Toolkit suggested that the operation of the planning system per se was not a significant barrier to the availability of employment space. This was reinforced by the contribution of planners at the triangulation event. The current distribution of employment land and space in rural Leicestershire however may have an impact in the context of the relatively smaller stock of medium and large businesses (compared to small businesses), causing them to gravitate to available space in larger urban settlements as they grow.

The stock of premises for medium and larger scale businesses in the rural county should be further investigated, to see if there is market failure in the supply of larger scale employment premises.

Growth Sectors

The relatively high proportion of LLEP growth sectors in the county's rural areas is in some senses surprising as these sectors are often predominantly in urban settings, albeit they are currently declining more rapidly in terms of employees than for the county as a whole.

It would be useful to consider how to most effectively address this decline and how to ensure that those key businesses in the sectors concerned are supported as effectively as possible. A targeted programme of business support for rural businesses in the LLEP growth sectors should be considered.

Rural Sectors

Cause for greater optimism is the relatively stronger resilience of agriculture and the rural "signature sectors" identified in this study namely: agriculture, forestry, meat and butter/cheese production, land freight and tourism (in terms of accommodation and food outlets) where against national declining trends of employment rural Leicestershire has experienced consolidation or growth. There was significant interest in the potential of the tourism and wider land based sector as a focus for rural economic growth at the triangulation event. At that event and subsequently through this study the importance of manufacturing overall has also arisen in terms of a key rural economy strength.

Whilst the overall numbers of employees in most of these sectors is relatively small they do provide a positive basis for intervention by the LRP, LLEP and partners in any strategy to grow the rural economy. In shaping its business support strategy the LLEP should consider how to engage most effectively with these rural sectors in its growth strategy. The framing of the East Leicestershire LEADER proposal should focus significantly on these sectors as providing scope for an increase in jobs and growth.

Distinctive Rural Employment Features
Rural Leicestershire has distinctively higher proportions of small businesses and home workers than the county or national average.

There is real scope to grow the rural economy around the encouragement of home workers, particularly through promoting the county as a high quality living environment for workers in the higher skilled and knowledge based businesses which have a strong footprint in rural Leicestershire. Key strands within this approach could be to consider scope for home workers to "graduate" to small start-up and shared facilities. The LLEP could consider the development of a dedicated programme of support for homeworkers as a means of underpinning the sustainability of settlements in rural Leicestershire.

East and West Leicestershire

Distinctions
It could be argued that the economic development approach should recognise the distinctive nature of challenges in the east and west of the county. At the triangulation event there was a broad consensus that an east west split was a good way to conceptualise the particular rural character of Leicestershire. It is clear in terms of the distribution of service centres, proximity to infrastructure and scale of workforce that the west of the county has the greatest advantages. The east of the county has a deeper rural context and the scope to develop the traditional rural sectors which exist in this area is significant.

District/ Settlement Focus

The two districts with the largest rural economies are Harborough and North West Leicestershire. This will not be surprising to interested parties in terms of Harborough; however the scale of the rural economy in North West Leicestershire and overall significance of the rural economy more generally in the west of the county could easily be overlooked. There was significant enthusiasm for a discussion about the rural economic development agenda in the context of North West Leicestershire and the National Forest at the triangulation event.

There is significant merit in considering with the local authorities which comprise the west how best (particularly in the context of spatial development planning) to build on the considerable potential in this area – perhaps for example through the development of a discrete rural component within their economic development work.

A number of specific district features are worthy of note and further investigation as follows:

- **The proportionately higher loss of businesses in Harborough district between 2009 and 2011 compared to the rest of the county should be further investigated.**
- **The higher proportion of home workers in Harborough and Melton is a very important feature of their economies and should be further considered in addition to the LEADER focus cited above**, in terms of the broader issues about economic development in these districts that it raises.
- **The resilience of agriculture in terms of employment, in the face of declining employment at the national level, in Harborough and Melton is impressive and worthy of further detailed analysis, potentially, in the first instance through a dialogue with key intermediary organisations such as the NFU and CLA.** (Both organisations were supportive of the idea of an ongoing dialogue at the triangulation event for the research).
- In terms of settlement specific issues the specific scope to grow the rural economy around the development of a number of key service centres should be considered – **we have identified that Ashby-de-la-Zouch, Shepshed, Market Bosworth, Lutterworth and Broughton Ashley are all important in terms of the growth potential they offer to their hinterlands.**
- **Melton at the principal settlement level and Ibstock, Measham and Markfield at the key settlement level all under-perform relatively within their settlement categories (based upon income levels and job density) and the potential to bolster their economic impact should also be considered.**

A LEADER approach for Leicestershire

The role of LEADER is to deliver rural development in the context of the Rural Development Programme (RDP) which was established as part of the implementation of the European Agricultural Fund for Rural Development (EAFRD) by the European Commission in 2005. The LRP has successfully applied for development funding to consider the establishment of a LEADER programme in the east of Leicestershire.

Key themes which could be addressed are:

1. **The growth of the resilient but relatively small "signature" sectors identified in the analysis above namely: forestry, meat and butter/cheese production, land freight and tourism (in terms of accommodation and food outlets).**
2. **A focused programme supporting the most "future proofed" elements of the agricultural sector.**

3. **A focus on consolidating and potentially growing the significant home worker population in the geography – this could help sustain the relatively high proportion of Knowledge Intensive Businesses in this area.**
4. **A focus on the challenge of expanding the number of businesses in the east of the county employing between 10 and 250 people – this could be based on the development of employment space.**

The very limited number of larger settlements in the east of the county also points to the benefits of a carefully thought through approach to the settlement features of any LEADER proposition. **Whilst Melton Mowbray and Market Harborough were both technically too large to be included in LEADER under the previous rules a new designation of LEADER "hub" towns has identified that both are eligible for inclusion. In view of their pivotal role in terms of the economy of east Leicestershire they should both be included.**

In addition to a focus on Melton Mowbray and Market Harborough as hub towns it would be particularly useful for LEADER to also concentrate, at the other end of the spectrum, on building the capacity of the secondary settlements which, because of the pattern of very small settlements in the District are important to the operation of the Melton economy namely:

Ab Kettleby, Asfordby Hill, Buckminster, Croxton Kerrial, Edmonthorpe, Frisby on the Wreake, Gaddesby, Great Dalby, Harby, Hose, Knipton, Long Clawson, Nether Broughton, Old Dalby, Queensway, Redmile, Scalford , Sewstern, Somerby, Stathern, Thorpe Satchville, Twyford, Waltham on the Wold, Wymondham

This approach is also important in the context of Harborough district, which certainly in the area between the Melton Mowbray boundary and the A6 has very similar characteristics to Melton. To the west of the A6 in Harborough, the most economically developed part of the eastern area, there are potential opportunities to maximise proximity to larger workforce and infrastructure opportunities. **This might be a particularly good area to build on significant developments already in train such as Magna Park in Lutterworth. The Harborough representatives at the triangulation event identified the importance of Magna Park in terms of rural growth.**

There was significant support for the development of a LEADER programme at the triangulation event. This included enthusiasm for the consideration of the National Forest as a possible LEADER area. Irrespective of the development of a discrete LEADER bid for the National Forest there is clearly scope for enhanced collaboration across the forest area (including those districts not in Leicestershire around the development of key rural themes such as tourism and forestry products including wood - fuels).

Conclusion

Leicestershire has a clearly distinctive rural geography. It comprises a pattern of interconnected rural and urban settlements. The east of the rural areas is more sparsely populated than the west.

There is considerable scope to intervene to support the economic development of the rural area. There is also to build distinctive landscape linkages with the National Forest at its north and western fringes.

Distinctive opportunities for engagement include:

1. Testing a possible market failure in the supply of larger employment premises in the rural area.

2. Addressing the decline of the LLEP growth sector businesses in the area.

3. Growing the economic potential of the home workers in the rural area to maximise its sustainable economic growth.

4. Developing a programme of support particularly taking account of the opportunities afforded by LEADER to build on the relative resilience of the traditional land and food based sectors in the rural area.

5. Developing a discrete approach to rural economic development particularly in those districts with the highest numbers of employees in rural areas (Harborough and North West Leicestershire).

This research provides considerable scope to build on the Leicestershire Rural Partnership economic development agenda. The LRP provides an ideal county wide brokerage to progress the findings and recommendations of this report.

APPENDIX 1 – Settlements in Scope of Rural Evidence Base

The 103 settlements, grouped into principal, key centres and secondary centres which form the cost of this study are set out below.

District	Principal	Key Centres	Secondary Centres
Harborough	Market Harborough	Lutterworth Broughton Astley	Great Glen. Kibworth, Fleckney, Billesdon, Ullesthorpe, Husbands Bosworth, Thurnby & Bushby, Scraptoft
Charnwood	Loughborough Shepshed	Barrow on Soar Mountsorrel Quorn Rothley Sileby Syston	Barkby, Burton on the Wolds, Cossington, East Goscote, Hathern, Newtown Linford, Quenibrorough, Rearsby, Thrussington, Thurcaston, Woodhouse Eaves, Wymeswold
Hinckley/Bosworth	Hinckley	Key Rural Centres Relating to Leicester Desford Groby Ratby Markfield Key Rural Centres within the National Forest Bagworth Thornton Key Rural Centre Stand Alone Barlestone Market Bosworth Newbold Verdon Stoke Golding	Higham on the Hill Stanton under Bardon, Sheepy Magna, Nailstone, Twycross, Witherley, Congerstone
NW Leics	Coalville (including: Bardon, Hugglescote, Greenhill, Snibston, Thringstone and Whitwick)	Kegworth Ashby, Castle Donington, Measham Ibstock	Albert Village, Appleby Magna, Belton, Blackfordby, Breedon on the Hill, Coleorton Diseworth, Donisthorpe, Ellistown, Heather, Long Whatton, Moira (including Norris Hill), Oakthorpe, Packington, Ravenstone, Swannington, Worthington.

Melton	Melton Mowbray	Bottesford Asfordby	Ab Kettleby, Asfordby Hill Buckminster, Croxton Kerrial Edmonthorpe, Frisby on the Wreake Gaddesby, Great Dalby, Harby Hose, Knipton, Long Clawson Nether Broughton, Old Dalby Queensway, Redmile, Scalford Sewstern, Somerby, Stathern Thorpe Satchville, Twyford Waltham on the Wold, Wymondham
Blaby	Blaby	Stony Stanton	Narborough, Enderby, Whetstone, Countesthorpe
	7	26	70

Settlement - Economic Capacity

Bringing all the factors considered together to provide a simple profile of each settlement from an economic perspective provides the following overall picture for each area:

Table 20 - Economic Settlement Profile

Rank	Settlement Built-up Area (BUA)	Population Rank Lowest rank has most capacity	Median Income Lowest rank has highest income	Job Density Lowest rank has most capacity	Composite Score	Rural Location
1	Castle Donington	14	7	1	7	West
2	Market Harborough	5	10	6	7	East
3	Hinckley	2	18	5	8	West
4	Lutterworth	10	12	2	8	East
5	Ashby-de-la-Zouch	9	21	4	11	West
6	Broughton Astley	11	1	23	12	East
7	Coalville	3	24	8	12	West
8	Loughborough	1	26	10	12	West
9	Market Bosworth	26	6	3	12	West
10	Shepshed	8	16	13	12	West
11	Melton Mowbray	4	25	11	13	East
12	Sileby/Barrow/ Quorn	7	15	18	13	West
13	Bagworth	28	2	15	15	West
14	Kegworth	20	17	7	15	West
15	Stoney Stanton	19	4	21	15	West
16	Thornton	29	3	12	15	West
17	Blaby	12	28	9	16	West

18	Bottesford	21	9	19	16	East
19	Mountsorrel/Rothley	6	24	17	16	West
20	Desford	22	8	20	17	West
21	Ibstock	15	23	14	17	West
22	Measham	16	19	16	17	West
23	Newbold Verdon	23	7	25	18	West
24	Markfield	17	22	22	20	West
25	Barlestone	24	14	28	22	West
26	Ratby/Groby	18	12	26	22	West
27	Stoke Golding	27	11	29	22	West
28	Asfordby	25	20	24	23	East
29	Syston	13	29	27	23	West

Appendix 2 - Stakeholder Event (Snibston Discovery Centre 4 December 2013) Key Messages

General

- Growth needs to be distributed across rural and urban areas – planning and local economic strategies play a key role in this.
- Local plans need to be more explicit about encouraging growth in rural areas.
- General agreement that there is a lack of grow-on space for businesses in rural areas.
- The role of market towns is changing with the loss of high street shops and independent retailers. Market towns are being used more as entertainment centres food, bars, events).
- Market towns still have a fundamental role to play in terms of providing jobs and services for surrounding rural hinterlands.
- The look and feel of market towns is important to how prosperous they are.
- The reduction of public transport poses a problem for people accessing work and learning.
- Poor access to Superfast Broadband remains an ongoing issue for residents and businesses.
- There is uncertainty about the impact that new national planning policies will have on diversification and growth e.g. the development of agricultural redundant buildings to houses and permitted development rights.
- The quality of ‘offer’ that rural areas have can be a key factor to attracting inward investment to Leicestershire.
- Apprenticeship schemes for rural SMEs could help with access to skilled local labour.
- The diversity of businesses can help with resilience against national and global economic fluctuations; job creation in small businesses can be more sustainable than a large expansion or inward investment site.
- Confirmation of the east / west differences within the county.
- The National Forest is an important asset to the north west of the county.

Opportunities

To support creative industries through the development of small creative hubs
To support small business growth through:

- Small-scale grant schemes
- Expert / diagnostic advice
- Sector networks and shared learning
- Improved communication to ‘hard to reach’ businesses

New-starts to be given more intensive support through the first 12-24 months.
More business involvement in promotion future career opportunities to young people.
Advisors need to have knowledge of the sectors they are working in; the above package of support has proved particularly effective through farming networks, where it is particularly important that the advisors are trusted by land based businesses.
There is a requirement to think creatively about growth networks and space optimisation.
RDP LEADER programme was identified as a future opportunity to be explored. Both the East of Leicestershire (Melton / Harborough) and the National Forest provide good opportunities for LEADER or other community led-development.
The National Forest would benefit from additional capacity to help with cross border working – good opportunities to exploit the low carbon agenda.

Appendix 3 - LEP Priority Sector SIC codes

Business Services	
65	Insurance, reinsurance and pension funding, except compulsory social
66	Activities auxiliary to financial and insurance activities
69	Legal & accounting services
70	Activities of head offices; management consultancy activities
71	Architectural & engineering activities; technical testing and analysis
73	Advertising & Market research
74	Other professional, scientific & technical activities
Creative & Media	
18.2	Reproduction of recorded materials
32.12	Manufacture of jewellery and related articles
32.13	Manufacture of imitation jewellery and related articles
58	Publishing Activities
59	Motion picture, video & television programme production, sound recording & music publishing activities
60	Programming & broadcasting activities
63	Information service activities
73	Advertising & marketing
74.2	Photographic activities
Distribution & Logistics	
46	Wholesale trade, except of motor vehicles & motorcycles
49.2	Freight & rail transport
49.4	Freight transport by road & removal services
50.2	Sea & coastal freight water transport
50.4	Inland freight water transport
51.21	Freight air transport
52.1	Warehousing & transport
52.2	Support activities for activities
Food & Drink Manufacturing	
10	Manufacture of food products
11	Manufacture of beverages
High Tech Engineering	
25	Manufacture of fabricated metal products, except machinery and equipment
26	Manufacture of computer, electronic & optical products
27	Manufacturing of electrical equipment
28	Manufacture of machinery and equipment
29	Manufacture of motor vehicles
30	Manufacture of other transport equipment
32	Other manufacturing
71	Architectural & engineering activities; technical testing and analysis
72	Scientific research & development
Knowledge Based	
18	18 Printing and reproduction of recorded media

20	20 Manufacture of chemicals and chemical products
21	21 Manufacture of basic pharmaceutical products and pharmaceutical preparations
26	26 Manufacture of computer; electronic and optical products
27	27 Manufacture of electrical equipment
28	28 Manufacture of machinery and equipment N.E.C
29	29 Manufacture of motor vehicles; trailers and semi-trailers
30	30 Manufacture of other transport equipment (includes manufacture of air and spacecraft and related machinery (30.3))
32.5	32.5 Manufacture of chemicals and chemical products
50	50 Water transport
51	51 Air transport
58	58 Publishing activities
59	59 Motion picture; video and television programme production; sound recording and music publishing activities
63	63 Information service activities
64	64 Financial service activities; except insurance and pension funding
65	65 Insurance; reinsurance and pension funding; except compulsory social security
66	66 Activities auxiliary to financial services and insurance activities
69	69 Legal and accounting activities
70	70 Activities of head offices; management consultancy activities
71	71 Architectural and engineering activities; technical testing and analysis
72	72 Scientific research and development
73	73 Advertising and market research
74	74 Other professional; scientific and technical activities
75	75 Veterinary activities
85	85 Education
86	86 Human health activities
90	90 Creative; arts and entertainment activities
91	91 Libraries; archives; museums and other cultural activities
94	94 Activities of membership organisations
Space & Aerospace	
30.3	Manufacture of other transport equipment
Tourism & Hospitality	
55	Accommodation
56	Food & beverage service activities
79	Travel agency, tour operator and other reservation service & related activities
82.3	Organisation of conventions & trade shows
92	Gambling & betting activities
92.31	Sports activities