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## Report of the Development Department

### Executive Board

Date:

**Subject: Local Enterprise Growth Initiative (LEGI)**

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#### Electoral Wards Affected:

Armley  
Beeston and Holbeck  
Bramley and Stanningley  
Burmantofts and Richmond Hill  
Chapel Allerton  
City and Hunslet  
Gipton and Harehills  
Headingley  
Hyde Park and Woodhouse  
Killingbeck and Seacroft  
Kirkstall  
Middleton Park

#### Specific Implications For:

Equality and Diversity   
Community Cohesion   
Narrowing the Gap

Eligible for Call In



Not Eligible for Call In

(Details contained in the report)



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## EXECUTIVE SUMMARY

1. This report advises Executive Board about the production and submission of a Leeds bid for round two of the Local Enterprise Growth Initiative (LEGI).
2. LEGI is a competitive bidding process established by government to provide significant new resources to tackle 'worklessness' issues in deprived areas through encouraging enterprise. The Leeds bid 'Sharing the Success', is designed around the introduction of Catalyst Centres into deprived communities. These centres will stimulate entrepreneurial activity amongst school children and workless groups and encourage the growth of existing businesses. A wide programme of enterprise activity will be delivered through the Catalyst Centres to support local communities.
3. This paper provides an outline of the £15.6m LEGI bid submitted to Government Office (GOYH) on 14<sup>th</sup> September 2006 and seeks Executive Board endorsement of the bid.

## **1.0 Purpose Of This Report**

- 1.1 To inform Executive Board of the production of a round two LEGI bid for Leeds.
- 1.2 To provide Executive Board with an outline of the key features of the proposed programme.

## **2.0 Background Information**

- 2.1 In 2005 government announced the creation of the Local Enterprise Growth Initiative (LEGI). The initiative is worth £300m and will be allocated over three bidding rounds. The first round (announced March 2006) resulted in ten successful bids sharing a total of over £125.7m over a three year period. In this region Bradford was the only winner, receiving £21.4m - the single highest allocation of funding awarded.
- 2.2 LEGI is designed around a central concept of 'enterprise-led regeneration' which uses enterprise in all forms to tackle disadvantage and poor quality of life outcomes (such as worklessness and social exclusion) in deprived communities.
- 2.3 LEGI is looking for three 'headline' outcomes at a national level: to increase the total level of entrepreneurial activity; to reduce failure rates and improve sustainability of locally owned businesses and to encourage inward investment into deprived areas.
- 2.4 Leeds' first round bid was unsuccessful. Although some of the individual projects proposed were praised the feedback received indicated that a strong overarching theme was needed to better link project strands together. The Leeds LEGI partnership, consisting of officers from Development and Neighbourhoods and Housing departments, and representatives from a wide range of local organisations, have built on this feedback and have been working on round two proposals over the last six months.
- 2.5 The Leeds round two bid entitled 'Sharing the Success' was submitted to GOYH on 14<sup>th</sup> September 2006. The nine Yorkshire Humber bids received by GOYH will be assessed firstly by a 'reader panel' and then by a 'regional assessment panel' which will meet in mid-October. GOYH will submit all nine bids to the national assessment panel by the end of October along with an indication of the bids preferred by the regional assessors. The national assessment panel will assess bids submitted by Government Offices from across England and will interview shortlisted applicants on 13<sup>th</sup> and 14<sup>th</sup> November. Announcement of LEGI round two winners is expected on 12<sup>th</sup> December with successful programmes due to commence in January 2007.

### 3.0 Main Issues

- 3.1 The Leeds LEGI bid 'Sharing the Success' is focused around the 31 Super Output Areas (SOAs)<sup>1</sup> within the city which feature in the worst 3% of SOAs nationally. These areas encompass a population of around 46,000 and are located within the inner Leeds area (see map in appendix A). The overarching vision for our bid is to connect residents in our most deprived communities with the opportunities created by the economic growth which the city has enjoyed over the last decade or more. Our vision is to unlock the potential in our deprived communities, with every resident and business playing an active role, through enterprise, in ensuring continued growth in the city.
- 3.2 The bid is organised around three main themes:
- Theme 1: *Engaging People* - to help individuals become more entrepreneurial in deprived areas in order to ensure that enterprise, in all its forms, becomes a realistic, rather than an exceptional option for the future.
- Theme 2: *Engaging Business* - to assist businesses in our deprived neighbourhoods to prosper by tackling head-on the barriers to their growth and helping them make the most of opportunities.
- Theme 3: *Engaging Investors* - to ensure that our LEGI target neighbourhoods become a credible option for investment and to ensure present investment remains.
- Details of projects associated with the three main themes are found in appendix B.
- 3.3 The central feature of our programme is the Catalyst Centre (defined in appendix B). We are proposing to build up to five Catalyst Centres with LEGI support, with the ambition that the model, if successful, is rolled out to other areas of the city. Each Catalyst Centre will provide a physical presence for enterprise learning and development in our deprived communities. Centres will be designed and run by networks of entrepreneurs and will be owned by not-for-profit Community Interest Companies (CICs). We are currently working on detailed plans to develop our first Catalyst Centre in Beeston. Further centres for Harehills, Chapeltown, west Leeds and the EASEL area are at an early stage of development.

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<sup>1</sup> There are 32,482 SOAs in England, 476 of which are in Leeds. Each SOA is of equal size, approximately 1,500 people on average. Division of wards into SOAs allows for a more accurate pinpointing of areas of severe deprivation.

#### **4.0 Implications For Council Policy And Governance**

4.1 LEGI will contribute to both the 'Narrowing the Gap' and 'Going up a League' agendas by helping to regenerate deprived communities whilst at the same time unlocking underutilised assets to aid the city's future development.

4.2 The governance arrangements for LEGI will link the programme to the emerging Local Area Agreement (LAA) for Leeds. LEGI has been developed as the national funding stream to support the fourth block of the LAA 'Enterprise and Economy'.

#### **5.0 Legal And Resource Implications**

5.1 Our LEGI bid is seeking an award of £15.6m over a three year period. Our bid outlines a £36m regeneration programme with each £1 of LEGI funding matched by £1.35 of public/private sector resources.

5.2 To date Leeds City Council, as the accountable body and lead partner for LEGI, has agreed in principle to the following:

- To provide accommodation, support costs and supervision for a dedicated project management team of four post holders and an integrated investor development and marketing team of three. Six of these posts will be made up of secondments from the Council's Business & Enterprise Unit paid for through existing Council resources.
- In conjunction with a private sector partner to consider providing capital resources from the EASEL regeneration programme to support the development of a Catalyst Centre and managed workspace facility in the EASEL area.
- To consider transferring two former school sites (Harehills Middle School and Hillside Primary) to community ownership as part of plans to create a business incubator and managed workspace development.
- To consider providing discretionary rate relief worth up to £50,000 per annum to the five proposed Catalyst Centres.
- To provide a range of support for the Enterprise Ambassador/ Enterprise Toolkit programme valued at £240k over the period 2007 to 2010.

#### **6.0 Conclusions**

6.1 LEGI represents the only major source of enterprise funding for our deprived areas.

6.2 A strong partnership has emerged as the bid has been developed. The programme is wide ranging and involves a diverse range of delivery models and organisations. Projects build on best practice and project development has encouraged innovation.

6.3 The full support of the Council will be critical to delivering a successful LEGI programme if our bid is successful.

**7.0 Recommendations**

7.1 To endorse the 'Sharing the Success' bid.