



Report of the Development Department

Executive Board

Date: 11th June 2008

Subject: Sharing the Success: Leeds Local Enterprise Growth Initiative (LEGI)

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)

EXECUTIVE SUMMARY

1. This report advises Executive Board on progress in implementing Sharing the Success, the Local Enterprise Growth Initiative (LEGI).
2. The Leeds LEGI bid "Sharing the Success" was extended to March 2011 in the autumn 2007 spending round. The programme now has a total value of £20.6m over the first four years to deliver an ambitious enterprise programme targeted at increasing entrepreneurship and tackling 'worklessness' issues in our most deprived neighbourhoods. The programme was developed in collaboration with the Leeds Initiative, the Local Strategic Partnership and the Leeds Local Area Agreement.
3. Executive Board is asked to consider the progress of the programme to date as set below (further information available on www.sharingthesuccess.co.uk), to endorse the forward programme and to continue to delegate decisions on expenditure in line with the approved Officer Delegation Scheme in consultation with the LEGI programme board.

1.0 **Purpose of the Report**

- 1.1 To inform Executive Board on progress in the implementation of Sharing the Success, the Leeds LEGI programme.
- 1.2 To ask Executive Board to continue to endorse the programme agreed by the LEGI Board and to note various actions set out in the recommendations in section 7.

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. Leeds was unsuccessful in the first round.
- 2.2 In the second round (decisions announced on the 6th December 2006) there were ten successful bids sharing a total of £157 m between 2007 and 2010.
- 2.3 The Autumn 2007 Government Spending Round confirmed an ongoing commitment to funding LEGI with all round 1 and round 2 programmes extended to March 2011. There will, however, be no further rounds of bidding. LEGI funding is a component of the new Area Based Grant mechanism.

3.0 **Leeds LEGI Programme**

- 3.1 Leeds LEGI Programme 'Sharing the Success' was developed through extensive consultation with the private/voluntary/community/public sectors and the target client groups. The bid is focused around the 31 Super Output Areas (SOAs)¹ within the city which feature in the worst 3% of SOAs nationally in the 2004 Index of Multiple Deprivation. These areas encompass a population of around 46,000 and are located within the inner Leeds area. A broader 'sphere of influence' area encompasses those SOAs in the 20% most deprived and is broadly contiguous with the Leeds City Growth area.
- 3.2 The Programme is organised around three main themes of engaging individuals, engaging businesses and engaging investors. Details of projects commissioned to date are available at www.sharingthesuccess.co.uk. The value of commissioned projects and spend in year 1 are set out in Appendix A.
- 3.3 The central feature of our programme is the Catalyst Centre, we are proposing to build up to five Catalyst Centres, with the ambition that the model, if successful, is rolled out to other areas of the city. Each Catalyst Centre will provide a physical

¹ 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.

presence for enterprise learning, development and business support in our deprived communities. Centres will be designed and run by networks of entrepreneurs and will be owned by the community through the designation or establishment of Development Trusts.

- 3.4 A pilot Catalyst programme has established centres in Chapeltown, Beeston and Seacroft. We are currently working on detailed plans to develop our first full Catalyst Centres in Seacroft, Harehills and Beeston. Further centres for West Leeds and Middleton/Belle Isle are at an early stage of development. More detail is provided below.
- 3.5 Our first Development Trust to be supported through LEGI is Tiger 11 based within Beeston & Holbeck. We are working with the national Development Trust Association to support emerging development trusts in Harehills, Seacroft, Chapeltown, Middleton and Bramley and to build a network of development trusts in Leeds to include the Headingley Development Trust. The Development Trust Association's national conference will be held in Leeds later this year.
- 3.6 Key output targets for Sharing the Success, which form part of the Local Area Agreement, are as follows :
- i) To achieve 596 new businesses in our target areas by 2011
 - ii) To assist 704 existing businesses to survive/grow by 2011
 - iii) To attract 81 new businesses to the target area by 2010 (excluding start ups)
 - iv) To create 1,192 jobs and move 867 of our target group into employment/self employment by 2011
- 3.7 In the first year of the programme we have commissioned 32 projects and achieved a spend of 99% of the agreed budget. Our delivery against LAA targets has been as follows:

| Indicator | Target | Actual |
|---------------------------------------|---------------|---------------|
| No of business starts | 46 | 47 |
| No of existing businesses supported | 54 | 250 |
| No of businesses moving to LEGI areas | 6 | 8 |
| No of jobs created | 92 | 94 |
| No of residents into work | 67 | 111 |

3.8 **Update on Catalyst and Enterprise Centres progress**

The Catalyst Centre concept offers more than simple workspace accommodation. The model is based on the development of strong, well populated networks of entrepreneurs, established businesses, business support providers and individuals interested in business start up or self employment. Membership of the network is free but a 'pay as you go' type tariff is levied at individuals and organisations wishing to use the catalyst centre facilities.

3.9 The principal focus of work in this first year has been on three centres; East Leeds, Harehills and Beeston. LEGI has awarded £1,083,855 to the Camberwell Project to establish catalyst networks and develop and manage catalyst centres in these three areas. In addition LEGI is funding £3,650,000 of building, redevelopment and refurbishment costs associated with the three centres.

3.10 Small scale centres have also been supported in Chapeltown and west Leeds and feasibility work has started on investigating further sites in south Leeds. We are currently working towards submitting a proposal to the ERDF programme to increase the capital funding available to the development of catalyst centres in west and south Leeds and Chapeltown.

3.11 East Leeds

The East Leeds catalyst centre based at the East Leeds Family Learning Centre site in Seacroft will open in May 2008. The Camberwell Project will manage the catalyst centre which is approximately 2,500sq ft. Over the past months Camberwell have been working on establishing the network membership of which currently stands at approximately 120.

3.12 The Seacroft catalyst will sit within a new building provisionally called Rise which has been developed by a consortia of partners interesting in supporting the construction sector in Leeds. LCC's Jobs and Skills division have built the facility which will be managed by the College of Building. Other partners include David Young Academy and Construction Leeds. Bellway Homes (the preferred developer for the EASEL regeneration scheme) are also involved in the project. The construction sector has been identified as a growth area within the local economy, it is also an area which we know many LEGI residents are interested in moving into either as an employee or on a self-employed basis. Membership of the catalyst and network is not restricted to construction businesses but it is anticipated that the centre will attract residents from across the city who are interested in moving into this area of work.

3.13 Early stage discussions are underway around the possibility of basing a National Skills Academy for Construction Skills within the Rise building.

3.14 Harehills

Based in the former Harehills Middle School the Harehills catalyst centre Shine, is due to open in August 2008. The catalyst will occupy approximately 3,000sq ft, the rest of the building comprises various sized offices to let, meeting rooms, conference facilities, as well as a cafe and creche. Within the catalyst centre itself users will have access to hot desks, IT and telephony, meeting rooms and advice and support from both an in-house centre manager as well as the network of business support organisations and entrepreneurs. The Camberwell Project will manage the catalyst centre and have been doing community liaison work over the last few months to build up the local network.

3.15 Beeston

The former Hillside Primary School in Beeston is being redeveloped by a local development trust (Tiger 11) and will host the Beeston catalyst centre. The catalyst is due to open in August. Whilst the redevelopment works have been ongoing a 'basecamp' has been established in the grounds of the building. The Hillside building will also provide office accommodation, meeting and conference facilities as well as a cafe and creche.

3.16 Chapelton

LEGI is funding award-winning social enterprise UrbanBiz to deliver business support activity in Chapelton. The project has a LEGI allocation of £415,945 in total over 3 years. Operating from a unit on Chapelton Road UrbanBiz are providing hot desks and IT facilities and dedicated business counsellors onsite to support users of the centre. UrbanBiz are working with the Camberwell Project as well as with other LEGI funded advisors such as those working on the Credit Union and Intensive Business Support projects to ensure clients are referred across the whole LEGI programme.

3.17 West Leeds

LEGI is supporting BARCA, a local charity working with young people, to provide business start up advice and support to residents in west Leeds. BARCA have been awarded £250,603 over three years and are providing hot desk facilities from a base at the Cubic centre in Bramley. The organisation is currently recruiting two business support workers who will support local residents interested in business start up and/or self employment. BARCA itself is in the process of becoming a development

trust and is exploring options around developing a more comprehensive catalyst centre within west Leeds.

3.18 South Leeds

LEGI is working with South Leeds Health for All to explore opportunities for developing sites in Middleton and/or Belle Isle as catalyst centres supporting residents in south Leeds.

4.0 **Implications For Council Policy And Governance**

4.1 LEGI contributes to both the 'Narrowing the Gap' and 'Going up a League' agendas by helping to regenerate deprived communities whilst at the same time unlocking under utilised assets to aid the city's future development. LEGI has been developed as the national funding stream to support the fourth block of the LAA 'Enterprise and Economy'.

4.2 A LEGI Programme Board has been meeting bi-monthly since March 2007. The City Council is formally represented on the Board by the Chief Regeneration Officer (Environment & Neighbourhoods Department) and the Executive Member for Development/or his nominee. The Board is formally a sub-group of the Skills and Economy partnership of the Leeds Initiative with whom it is currently strengthening reciprocal arrangements.

4.3 The programme Board is undergoing a refreshment of membership, with the addition of further private and third sector representation. Two of the new members are current beneficiaries of projects.

5.0 **Legal And Resource Implications**

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

- i) To provide support costs and supervision for a dedicated project management team of four post holders and an integrated investor development and marketing team of three. Three of these posts are secondments from the Council's Business & Enterprise Unit paid for through existing Council resources.
- ii) 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.

iii) To consider providing discretionary rate relief worth up to £50,000 per annum to the five proposed Catalyst Centres.

5.2 The LEGI Programme Board has commissioned projects to March 2010 and made an indicative allocation of funding for 2010/2011 as set out in Appendix A. A mid-term evaluation will be held in the current financial year and forward spend readjusted in the light of its findings.

6.0 Conclusions

6.1 LEGI represents a significant opportunity to create new businesses, local wealth and jobs within our most deprived communities.

6.2 The full support of the Council across all departments has been and will continue to be critical to delivering a successful LEGI programme which meets expenditure and output targets.

7.0 Recommendations

To ask Executive Board to :

- i) Endorse the programme as commissioned to date by the programme Board .
- ii) Delegate decisions on expenditure in line with the approved Officer Delegation Scheme to the Director of Development in consultation with the LEGI Board
- iii) To receive further annual reports on progress in implementing the LEGI programme