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## Report of the LEGI Programme Manager

### Inner North East Area Committee

Date: 31<sup>st</sup> January 2011

Subject: LEGI programme achievements in Inner North East area

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#### Electoral Wards Affected:

Chapel Allerton  
Gipton and Harehills

#### Specific Implications For:

Equality and Diversity   
Community Cohesion   
Narrowing the Gap

Council  
Function

Delegated Executive  
Function available  
for Call In

Delegated Executive  
Function not available for  
Call In Details set out in the  
report

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## Executive Summary

Sharing the Success, the Leeds Local Enterprise Growth Initiative (LEGI) programme, has been operating in Leeds since April 2007 and is worth £19.6m. The programme operates in the most deprived parts of the MD and is targeted on the 31 super output areas (SOAs) in the worst 3% nationally in the 2004 Index of Multiple Deprivation. LEGI funding will end in March 2011.

The majority of the programme operates across the entire target area and this is supported by investments in specific communities designed to embed enterprise within localities.

Key projects in the Inner North East area include Urban Biz, Union 105, Louis Hamilton Business Centre and Chapeltown Development Trust. Milun Women's Centre and Shine lie just outside the Inner North East area but are resources used and of benefit to Inner North East residents. In addition to these projects LEGI programme management has recently had agreement from the Leader's office to provide match funding to the Chapeltown Townscape Heritage Initiative and towards a Unity Enterprise bid to ERDF to develop enterprise support in Chapeltown.

## **1.0 Purpose Of This Report**

To inform Area Committee of the investments made by Sharing the Success (StS) the Leeds LEGI programme in the Inner North East area and to give an overview of the achievements of the programme in the area.

## **2.0 Background Information**

### **2.1 LEGI funding**

The Leeds LEGI Programme has been provided with £19.6m of funding from the Department of Communities and Local Government (CLG) for the period April 2007 - March 2011, net of a £912k reduction in the current year revenue budget. This is as part of the Council's Area Based Grant Allocation, and comprises £13.1m revenue and £6.5m capital. The programme is run through 30 projects delivered by 24 partners across the City.

### **2.2 Sharing the Success programme**

The programme operates in the most deprived parts of the Leeds MD. The target area has been defined not by ward but by lower level super output areas (SOAs). The target area is comprised of the 31 SOAs 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.

**2.3** Large parts of the programme operate across the entire LEGI area with residents residing in the area, and/or individuals wishing to start a business within the area and/or existing businesses within the area eligible for LEGI support. Sharing the Success has also made investments in projects that have had an impact in specific geographical areas. The projects impacting on the inner north east area are listed below under 3.0 Main Issues.

### **2.4 Enterprising Leeds**

Enterprising Leeds is a partnership project between Leeds City Council and Leeds, York & North Yorkshire Chamber of Commerce. The project focuses on raising the profile of enterprise and increasing self-employment rates in some of Leeds' most deprived communities through an integrated package of enterprise coaching and intensive start up support.

LEGI resources have been matched with ERDF funding which has allowed provision currently being delivered as part of the Leeds LEGI 'Sharing the Success' programme through until March 2013.

The project is managed by Leeds City Council and delivered by the Chamber which directly employs three Enterprise Coaches, four Business Advisers and a part-time Co-ordinator.

### **3.0 Main Issues**

#### **3.1 Key projects: Chapeltown**

##### **3.1.1 Urban Biz**

StS has been funding Urban Biz activity in Chapeltown since August 2007. Urban Biz run a small enterprise centre on Chapeltown Road, the Biz Centre, which provides hot desks, internet access and other office facilities. Biz Centre users also benefit from the provision of business support through start up and established business advisors. Over this time period Urban Biz have also run a series of events and activities locally to engage with local residents and encourage them to explore enterprise and self employment.

Since August 2007 600 individuals have engaged with Urban Biz through attendance at events, walk-ins to the Biz Centre and direct referrals from other partners. Of these 260 registered with Urban Biz to explore the self employment option and of these 90 have started their own businesses. Residents from any part of the city can access support from the Biz Centre however the project has endeavoured to particularly engage with residents local to Chapeltown and the immediate area.

##### **3.1.2 Union 105**

East Street Arts (ESA) have developed premises at 105 Chapeltown Road into a workspace and exhibition space, which provides affordable studio facilities, one-to-one support, professional development assistance as well as acting as a hub for people to engage and collaborate.

An on-site Enterprise Manager, Tim Smith, works with the clients using the workspace on their individual development plans, assisting them in developing their artistic practice, with business support and with referrals to other sources of assistance.

Since the project began in July 2009 to October 2010 16 individuals have taken up studio space, 11 public arts events have been held in the project space and 63 people had registered with ESA to receive assistance through the Union 105 project (either through space, networking or professional development).

ESA have been successful in obtaining an Arts Council grant of £22,000 to support public art projects. The grant will be used to develop public art in Chapeltown and will entail a spin-off in artist development activity at Union 105. ESA are confident that the project space and studios will continue to operate after March 2011 with staff providing support from across the range of ESA studios in the city.

##### **3.1.3 Louis Hamilton Business Centre**

The Louis Hamilton Business Centre is being developed by Investment Properties (Leeds) Ltd at 47a Louis Street Chapeltown. The development will see the refurbishment of a derelict building into a small business incubation centre comprising of four offices and a meeting room. A twelve year asset lock on the property has been agreed with Investment Properties (Leeds) Ltd to ensure that there is no change of use or ownership during that time. If use or ownership do change during the twelve year period then a proportion of both the loan and the grant will be repayable.

The LEGI investment in the project is £147,659 of which £50,000 is a loan repayable over six years. In keeping with an incubation model tenancies will be offered on a time limited basis with a maximum occupancy of 18 months and a sliding scale of rental charges will apply with rents increasing as the business develops. Development works at the site are ongoing and are due to complete in April 2011. It is envisaged that four new businesses and eight new jobs will be created within the first year of operation.

### **3.1.4 Chapeltown Development Trust**

A key part of the Leeds LEGI programme has been the establishment of a network of development trusts across Leeds, together with a community assets initiative, which has seen Leeds increasingly recognised as the leading city in the UK for such work. Development Trusts use self-help, trading for social purpose and ownership of land and buildings to bring about long-term social, economic and environmental benefits in their particular community. They are independent and run by a Board, but also work very closely with the public, private and community sectors. Chapeltown Development Trust (CDT) is a newly formed development trust that has been established with assistance from the Development Trust Association to support the economic and social regeneration of Chapeltown. Other trusts supported through the programme include TIGER 11, BARCA Leeds, Health For All, Oblong, Headingley Development Trust and LS14 Trust.

CDT set up and has run the Chapeltown Global Village Market (CGVM) since August 2010. To date the market has been held in Potternewton Park, but CDT are exploring the possibility of hosting it to the rear of the new Joint Services Centre on Chapeltown Road. A marketing strategy for 2011 is currently being put together by CDT, which will be critical to raising awareness of the market beyond the immediate Chapeltown area. The proposal for 2011 is to hold nine markets with a minimum of 30 stallholders, which will generate income of £5,400.

The LEGI Programme Manager has recently received approval from the Leader to release £7,500 of capital support from the council's capital budget to allow CDT to invest in stalls and other equipment which will make the market more viable in the medium to long term.

## **3.2 Key projects: Harehills**

### **3.2.1 Milun Women's Centre**

The Milun Centre, now part of Hamara is on the Chapeltown/Harehills border and has provided an invaluable base for many StS projects to undertake outreach to local women. Over 400 women have attended StS events at Milun, with approximately 35% coming from Chapeltown. In total, 128 women have gone on to access enterprise coaching or business support after contact through Milun.

StS funding was used to fund a project worker to work with local women, particularly those from a BME background. She promoted the Milun micro-incubators as start-up space for fabric and therapy based female entrepreneurs. StS funding to centre

ended in December but the project officer continues in post and is continuing to promote the centre to would be entrepreneurs. A project to create some further business units for use by hairdressers is currently under development.

### **3.2.2 Shine**

Shine the former Harehills Middle School, is owned by Harehills CIC on a 999 year lease, with the Council retaining the freehold interest. The business plan centres on letting managed workspace combined with conferences and meetings. Like Hillside, a sister centre in Beeston, Shine has been open for almost two years and is finding it hard to meet the targets set in the original business plan.

The programme management team has worked closely with the management of both centres and has brought in specific support from the Development Trust Association, conferencing and property management specialists and has continued to provide revenue support. The programme management team continues to work with Shine to support them towards sustainability.

## **3.3 Projects with Leader approval to release funds from LCC capital budget**

### **3.3.1 Chapeltown Townscape Heritage Initiative**

In April 2008 the Heritage Lottery Fund (HLF) awarded Leeds City Council £1.892 million from its Townscape Heritage Initiative (THI) to implement two grant schemes in Armley and Chapeltown. The HLF monies were complemented by match funding of £698,000 through Leeds City Council's Town and District Centre Regeneration Scheme. The THI focuses on undertaking a programme of improvements that will enhance highly prominent but neglected historic properties in Armley and Chapeltown, thereby improving the physical environment, which in turn will encourage new business investment and also counter some of the negative perceptions of these areas.

The Chapeltown THI target area coincides with the extended Chapeltown Conservation Area, a largely late Victorian and Edwardian inner suburb. It will strengthen the Chapeltown Road corridor by tackling dereliction and disrepair and reinstating historic features to buildings. Grants are offered to owners of these historic buildings to;

- Carry out essential repairs;
- Restore traditional shopfronts and architectural features;
- Bring vacant properties and floor space back into use.

At present there has been significant interest from property owners in both THI areas in accessing grant funding, but in the current economic climate they are reluctant to spend money at risk on professional fees. In order to encourage grant applications to come forward at a pace required for THI funding timescales it has been proposed that an additional sum of £225,000 match funding from LEGI be used to bring forward projects more quickly.

It is proposed that LEGI funds be used to introduce a two stage payment process whereby property owners can draw down a small amount of funding to assist with the professional fees costs in the initial stages of the project, and an enhancement of the

intervention rate of the grant to 90% thereby reducing the property owner's overall risk.

### **3.3.2 Unity Enterprise**

Unity Enterprise was established in 1999 to further the regeneration aims of Unity Housing Association who are based on Chapeltown Road, Leeds 7. Their core activities are the provision of affordable workspace for new and small businesses, as well as the delivery of a range of programmes which support local enterprise, the creation of jobs and access to employment. Within Unity's property portfolio are the Leeds Media and Chapeltown Enterprise Centres (which they manage on behalf of the Council under Service Level Agreements) and Unity Business Centre itself, which they own.

Unity are requesting support from the Leeds LEGI programme to;

1. Assist with refurbishment of part of Unity Business Centre.
2. Undertake internal improvements to Chapeltown Enterprise Centre.
3. Support the development of an annexe to Chapeltown Enterprise Centre.

The total cost of the above is £1.2 million. However, the ability to proceed with all three projects is dependent on the securing of European funding. Should this not be secured or secured at a lower level than requested then project three will not proceed,

Unity are requesting £300,000 capital from the Leeds LEGI programme to support the above, which they will match from their own resources. They will then use this as match for a European funding bid, which if successful will enable them to draw down a further £600,000.

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

4.1 The LEGI programme complies with Council policies, strategies and initiatives and the Council's Strategic Plan 2008-11, in particular it supports strategic outcomes under the following themes:

- Enterprise & Economy theme - increasing innovation and enterprise across the city
- Thriving Places theme - increased economic activity through support to reduce worklessness and poverty
- Harmonious Communities theme - increasing opportunities for meaningful involvement in community decision making and service delivery

## **5.0 Legal and Resource Implications**

5.1 This report is in response to a request for information and has no legal or resource implications.

## **6.0 Conclusions**

- 6.1 The LEGI programme has made significant investments in the Inner North East area and neighbouring communities. These investments will leave a legacy of enterprise resources beyond the life of the programme.
- 6.2 The programme has worked with local organisations to support them towards sustainability and embed enterprise development within their activities. In particular Chapeltown Development Trust has the potential to become a community anchor organisation.
- 6.3 The provision of match funding to support Chapeltown THI and Unity Enterprise will leave a legacy of physical improvements to the built environment in Chapeltown.
- 6.4 In addition to capital investments the programme has secured the continuation of revenue funded enterprise coaches and intensive business support advisors (the Enterprising Leeds scheme) who will continue to support people to consider self employment and start new businesses.

## **7.0 Recommendations**

- 7.1 That area committee note the content of this report.
- 7.2 That area committee continue to support Chapeltown Development Trust and Unity Enterprise in their efforts to embed enterprise development within the activities of their respective organisations.

Background papers: none.