



Report of the Development Department

Executive Board

Date: 14th March 2007

Subject: Local Enterprise Growth Initiative (LEGI)

Electoral Wards Affected:

Armley
Beeston and Holbeck
Bramley and Stanningley
Burmantofts and Richmond Hill
Chapel Allerton
City and Hunslet
Farnley & Wortley
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 the Local Enterprise Growth Initiative (LEGI).
2. The Leeds LEGI bid "Sharing the Success" was approved by government on the 6th December 2006. The bid secured £15.6m over the first three years to deliver an ambitious enterprise programme targeted at 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 endorse the three year programme set out in Appendix A; note the disposal of the former Hillside Primary School and grant allocation set out in Appendix B and to note that decisions on expenditure will be made by the Director of Development in consultation with the LEGI programme board.

1.0 Purpose of the Report

- 1.1 To inform Executive Board on a successful outcome to the round 2 Leeds LEGI bid.
- 1.2 To ask Executive Board to endorse the three year programme set out in the bid 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.

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. These areas encompass a population of around 46,000 and are located within the inner Leeds area. The Programme is organised around three main themes, details of projects associated with the three main themes and indicative funding allocations are set out in appendix A.
- 3.2 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 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 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.

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.

3.3 In addition to Catalyst Centres our LEGI Programme envisages the creation of a minimum of three development trusts linked to the development of managed workspace projects. Our first development trust to be supported through LEGI is Tiger 11 (Together in Growth & Economic Regeneration) based within Beeston & Holbeck, details of the proposed scheme are set out in Appendix B.

3.4 Key Outputs for Leeds LEGI are as follows :

- i) To achieve 550 new businesses in our target areas by 2010, with two thirds of these started by local residents
- ii) To assist 650 existing businesses to survive/grow by 2010
- iii) To attract 75 new businesses to the target area by 2010 (excluding start ups)
- iv) To create 1,100 jobs and moving 800 of our target group into employment/self employment

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 under utilized 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 established with a first initial meeting due on the 8th March 2007. The City Council is formally represented on the Board by the Chief Regeneration Officer (Neighbourhoods & Housing Department) and the Executive Member for Development/or his nominee.

5.0 Legal And Resource Implications

5.1 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:

- 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 will be made up of 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 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.

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

v) To provide a range of support for the Enterprise Ambassador/ Enterprise Toolkit programme valued at £240k over the period 2007 to 2010.

5.3 The revised capital programme agreed by Executive Board includes an injection of £4.7m in accordance with the three year LEGI Programme set out in Appendix A. The Development Department's revenue budget for 2007/8 has also been adjusted to take account of LEGI requirements.

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 will 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 three year programme set out in the bid and the indicative funding allocations detailed in Appendix A

ii) Note the £500,000 grant and the disposal of the former Hillside Primary School as set out in Appendix B

iii) Note that decisions on expenditure will be made by the Director of Development in consultation with the LEGI Board.

iv) To receive reports as appropriate on progress in implementing the LEGI programme