

**ENTERPRISE AND ECONOMIC OPPORTUNITY IN DEPRIVED  
AREAS: LOCAL ENTERPRISE GROWTH INITIATIVE**

**NEXT STEPS**

**JULY 2005**

**HM Treasury**

**Office of the  
Deputy Prime  
Minister**

**Small Business  
Service**

# CONTENTS

<b>INTRODUCTION .....</b>	<b>4</b>
BACKGROUND: .....	4
WHAT HAS HAPPENED SO FAR:.....	5
WHAT (AND WHO) THIS DOCUMENT IS FOR:.....	6
WHAT THIS DOCUMENT IS NOT: .....	6
HOW THIS DOCUMENT IS STRUCTURED: .....	6
<b>STAGE ONE: FOLLOW-UP TO CONSULTATION.....</b>	<b>8</b>
WHAT DO I NEED TO KNOW? .....	8
WHAT HAPPENS NEXT? .....	8
WHAT DO I NEED TO DO NOW?.....	8
WILL THERE BE MORE INFORMATION PROVIDED?.....	8
<b>STAGE TWO: PUTTING SYSTEMS IN PLACE.....</b>	<b>8</b>
WHAT DO I NEED TO KNOW? .....	8
WHAT HAPPENS NEXT? .....	9
WHAT DO I NEED TO DO NOW?.....	10
WILL THERE BE MORE INFORMATION PROVIDED?.....	10
<b>STAGE THREE: DEVELOPING PROPOSALS .....</b>	<b>10</b>
WHAT DO I NEED TO KNOW? .....	10
WHAT HAPPENS NEXT? .....	12
WHAT DO I NEED TO DO NOW?.....	13
WILL THERE BE MORE INFORMATION PROVIDED?.....	13
<b>STAGE FOUR: WRITING YOUR APPLICATION .....</b>	<b>14</b>
WHAT DO I NEED TO KNOW? .....	14
WHAT HAPPENS NEXT? .....	15
WHAT DO I NEED TO DO NOW?.....	15
WILL THERE BE MORE INFORMATION PROVIDED?.....	15
<b>STAGE FIVE: ASSESSMENT OF APPLICATIONS .....</b>	<b>16</b>
WHAT DO I NEED TO KNOW? .....	16
WHAT HAPPENS NEXT? .....	16
WHAT DO I NEED TO DO NOW?.....	17
WILL THERE BE MORE INFORMATION PROVIDED?.....	17
<b>STAGE SIX: RECOMMENDATIONS AND DECISIONS.....</b>	<b>17</b>
WHAT DO I NEED TO KNOW? .....	17
WHAT HAPPENS NEXT? .....	18
WHAT DO I NEED TO DO NOW?.....	18
WILL THERE BE MORE INFORMATION PROVIDED?.....	18
<b>STAGE SEVEN: IMPLEMENTATION, MONITORING AND EVALUATION 19</b>	<b>19</b>
WHAT DO I NEED TO KNOW? .....	19
WHAT HAPPENS NEXT? .....	19
WHAT DO I NEED TO DO NOW?.....	19
WILL THERE BE MORE INFORMATION PROVIDED?.....	19
<b>STAGE EIGHT: PREPARING FOR THE NEXT PHASE OF LEGI.....</b>	<b>20</b>

WHAT DO I NEED TO KNOW? .....	20
WHAT HAPPENS NEXT? .....	20
WHAT DO I NEED TO DO NOW? .....	20
WILL THERE BE MORE INFORMATION PROVIDED? .....	20
<b>ANNEX A: LEAD CONTACTS IN THE GOVERNMENT OFFICES.....</b>	<b>21</b>
<b>ANNEX B: USEFUL ENTERPRISE POLICIES.....</b>	<b>24</b>

## INTRODUCTION

### *Background:*

1. The Local Enterprise Growth Initiative (LEGI) was announced in Budget 2005. LEGI will provide flexible, devolved investment in some of our most deprived areas – determined by the neighbourhood renewal fund areas – to support locally developed and owned proposals that pursue new or proven ways of stimulating economic activity and productivity through enterprise development.
2. LEGI will be worth £50 million in 2006-07, rising to £150 million per year by 2008-09, subject to confirmation in the next Spending Review.
3. Not all eligible local areas will necessarily receive financial support from LEGI. Local areas will be selected on the basis of the quality of the proposals submitted – in particular the delivery of positive tangible outcomes for the local area. To effect a significant change in these deprived communities will require a depth of investment that means that the resources cannot be spread too thinly, diluting the impact of the policy.
4. The national level aim of LEGI is:  
*“To release the productivity and economic potential of our most deprived local areas and their inhabitants through enterprise and investment – thereby boosting local incomes and employment opportunities.”*
5. This aim is supported by three national-level outcomes:
  - a. To increase total entrepreneurial activity among the population in deprived local areas
  - b. To support the sustainable growth – and reduce the failure rate – of locally-owned business in deprived areas
  - c. To attract appropriate investment and franchising into deprived areas, making use of local labour resources
6. These three outcomes reflect the contribution that business start-ups, growth businesses, and inward investors make to both national-level productivity growth and local economic development in deprived areas. To ensure sustainability over the long term, LEGI will be focused on the fundamental issues and barriers that hold back enterprise and growth.

7. LEGI will follow closely the principles of devolution, providing local institutions and communities that are successful in applying for financial support from LEGI – working closely with their Regional Development Agency (RDA) and Government Office (GO) – with the authority and freedom to best determine local needs, options and solutions for enterprise development in deprived areas. Within the three broad outcomes set out above, there will be significant discretion to determine what the local priorities should be and how to tackle them – what indicators to aim for, what actions to pursue, and what local targets are needed.
8. The resources provided by LEGI will be targeted at in-depth interventions in a limited number of local authority areas both with a need (measured by level of deprivation) and potential (business potential inhibited by market failures). The aim of LEGI is to make a long-term change, transforming local deprived areas by addressing the market failures that inhibit growth, ensuring the change is sustainable beyond the life of the policy.
9. Individual local authorities that are successful in applying for LEGI support should expect to receive a significant sum of money – anything between £2-10 million depending on the ‘critical mass’ of resources required in different areas. This funding will be available to these authorities for a significant period of time to support their proposals for enterprise development – illustrating the Government’s significant commitment to reviving these local economies over the long-term.

*What has happened so far:*

10. The Government published a consultation document in March 2005 at the time of Budget. Following consultation events and meetings arranged as appropriate by Government Offices and RDAs, the consultation exercise formally closed on Thursday 30 June.
11. The Government received 145 responses from a wide range of stakeholders. The Government welcomes that fact that the majority of responses have been overwhelmingly positive in favour of the LEGI proposal, but is committed to listening to the many points made and any concerns expressed. The Government will continue to analyse these consultation responses and revise the proposal as appropriate.

*What (and who) this document is for:*

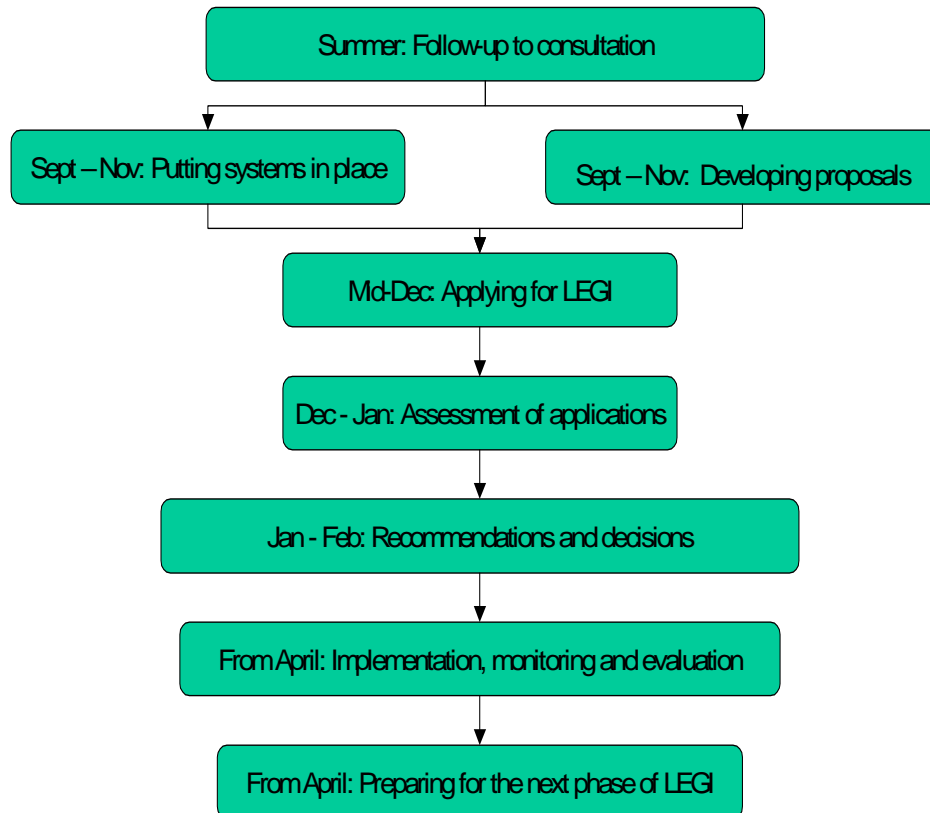
12. It is vitally important in this implementation phase that those involved in LEGI are kept informed of progress and are fully aware of what is happening, deadlines, and what is expected of them. This document therefore sets-out the immediate and medium-term next steps required to implement LEGI and ensure it is a success.
13. This document is targeted at any organisations or individuals with an interest in being involved in the implementation or running of the LEGI programme. In particular, we hope this document will be helpful to local authorities, Government Offices, and Regional Development Agencies, but it will also be of interest to any enterprise agencies, businesses, entrepreneurs, think-tanks / research organisations, and the third sector.

*What this document is not:*

14. The consultation exercise has only just been completed, but the Government felt it was important that further information was provided prior to Parliamentary Recess. However, this also means that more time will be needed to fully analyse and respond to the consultation exercise, and to refine the proposal to reflect those comments and suggestions that Government agrees with.
15. It is therefore important to also fully understand what this document is not. This document is not designed to:
  - represent a government summary or response to the consultation exercise;
  - represent the final position on all details of LEGI; nor
  - be detailed guidance on how to write an application or secure LEGI resources.
16. However, further information will be provided as quickly as possible, and at the appropriate juncture, following further discussions with the GOs, RDAs and eligible local authorities.

*How this document is structured:*

17. This next steps document follows the eight stages involved in the implementation of LEGI, as illustrated in the diagram over the page:



18. This document is aimed at those organisations interested in being involved in LEGI (as set-out in paragraph 12 above). As such, it has been structured to attempt to answer the questions that those organisations might ask at this stage. Each section is therefore divided into four parts:
- What do I need to know?
  - What happens next?
  - What do I need to do now?
  - Will there be more information provided?
19. The Government is further considering the most appropriate methods for keeping those involved and interested informed on an ongoing basis, for example, exploring web-based resources.

## **STAGE ONE: FOLLOW-UP TO CONSULTATION**

*What do I need to know?*

20. The consultation closed on Thursday 30 June. The Government received 145 responses. The Government warmly welcomes the fact that the responses were overwhelmingly positive, and supportive of the LEGI proposal. Some concerns were raised – for example, around the practicalities of working across and between organisations, and the need to ensure the proposal isn't 'centralised' during implementation.
21. The Government believes the majority of these concerns can be settled with ease and, in many cases (such as improving organisational relationships) without the need for any central direction, which would be contrary to the spirit and practice of devolution.

*What happens next?*

22. The consultation responses are being summarised and analysed carefully.

The Government will publish both a summary of consultation responses and the Government's response to the main themes that arose in consultation.

*What do I need to do now?*

23. The onus is now on central government to respond to the excellent consultation responses already made. The consultation period is now closed.

*Will there be more information provided?*

24. The summary of submissions to consultation and the Government's response as outlined above.

## **STAGE TWO: INTERESTED ORGANISATIONS PUT SYSTEMS IN PLACE**

*What do I need to know?*

25. It is important that all organisations interested in being involved in the implementation of LEGI start putting in place the relevant systems and procedures in order to develop strong

proposals and increase the likelihood of a successful application . These systems and procedures will vary from organisation to organisation, and each individual organisation will be best placed to determine exactly what they need to do to be ready for LEGI if their application is successful. However, there will be some issues that will require focus and determination at all levels.

26. The success of LEGI will depend upon the strength of the partnerships in place between the organisations with an interest in its success. Those interested in being involved in LEGI should therefore focus efforts on building new or strengthening existing relationships and partnerships with other organisations central to the delivery of LEGI in their area, ensuring that clear lines of communication and contacts are in place and working.
27. In particular, LEGI has been designed to provide a strong regional role as well as a strong local role. This will rely on an effective relationship between local and regional institutions. Eligible local authorities, Government Offices and the RDAs in particular should be working very closely on all aspects of LEGI from start to finish.
28. In addition, messages from the centre need to be as clear and unambiguous as possible.

*What happens next?*

29. Central government are exploring options to ensure we have a clear system and process in place for disseminating key messages and useful information to those involved in LEGI.

The Government will explore web-based options for disseminating useful information and key messages to those involved in LEGI – in particular the idea of having a dedicated web-site and extranet facilities allowing those involved to communicate and share information more easily.

30. Local partnerships with relevant stakeholders – from the private sector, third sector, local community, to think tanks / research organisations – should be further developed (including through the Local Strategic Partnership) to proactively deal with the introduction of LEGI.

The Government has recently distributed £10 million pump-priming resources to local authorities eligible to receive financial support from LEGI and interested in being involved to develop such partnerships, develop an evidence base, learn from experience, and prepare the ground to develop proposals.

*What do I need to do now?*

31. The onus is on the local and regional institutions to develop an effective working relationship that will endure through LEGI implementation and ensure that it will be a success if the local area is successful in applying for LEGI support.
32. Eligible local authorities, Government Offices and Regional Development Agencies should meet at an early stage to agree an approach and style of working that works effectively for all three organisations.
33. These partners should agree a method for working effectively with other relevant local partners in the development of local proposals.

*Will there be more information provided?*

34. More information will be provided shortly about the method of dissemination of key messages and useful information from central government.
35. A list of the GO [and RDA] contacts for each region is provided at Annex A.

### **STAGE THREE: DEVELOPING PROPOSALS**

*What do I need to know?*

36. Developing proposals for LEGI support is the primary purpose of the **pump-priming** money recently issued to eligible authorities. It is probably the most important stage of the overall implementation of LEGI as it will mean the difference between a successful and unsuccessful application.
37. It is important to stress that LEGI will focus not on well written applications but on **good ideas with robust implementation strategies that are designed to have a real, tangible impact on outcomes**. Good ideas don't appear in isolation, but are the product of extensive research of the

evidence base and debate with local and regional partners (including the RDAs).

38. In particular, it will be expected that all LEGI proposals will follow the **six key principles** set-out in the original LEGI consultation document:
- a. effective targeting (to ensure people living in deprived areas benefit);
  - b. effective solutions (to address the fundamental barriers to growth, including crime);
  - c. significant commitment (of resources over the long term);
  - d. strong local and regional partnerships (with business and the wider community);
  - e. integration (with broader regeneration efforts and business support initiatives); and
  - f. evaluation and evidence building (to inform continuous improvement and the development of future policy).
39. A central part of developing robust proposals for LEGI is that they are well grounded in the available **evidence base**. Significant evidence exists and is collected in a structured manner – for example by the RDAs – and local efforts should use these resources to their full extent to ensure that they are consistent with what is known to work, or can point to what might work.
40. To ensure proposals build on what works and do not reinvent the wheel, or lead to, for example, unnecessary proliferation of business support, it is very important that local proposals developed for LEGI are fully **consistent with existing strategies** already in place – this includes the **Regional Economic Strategy**, Local Neighbourhood Renewal Strategy, and local Public Service Agreement. Proposals that contradict or unnecessarily replicate existing efforts will not be supported through LEGI.
41. Whilst LEGI will support proposals that **build on what works**, it will not support projects or proposals that prop-up existing projects, or displace funding from elsewhere. This is not to say that LEGI will fund only ‘new’ ideas, but it should be used to build on what is there, **not to act as a substitute for the delivery of existing mainstream Government services** to

maintain the status quo or a 'business as usual' scenario. This is because LEGI must be transformative – if it isn't it will have failed in its aims and will merely represent deadweight cost to the Exchequer.

42. Proposals should also consider the needs of **under-represented groups** in enterprise development – from lone parents, black and minority ethnic communities, over 50s and people with disabilities. The Government is committed to doing more to promote and support ethnic minority enterprise and to increase the number of women starting businesses.
43. Whilst LEGI resources should be available for a sustained period (subject to the outcome of the next Spending Review), the **long-term sustainability of proposals** needs to be considered at an early stage. LEGI should support ideas and projects that are transformative and make an irreversible difference to the local economy, not merely a short-term gain that may struggle once the resources do come to an end.
44. We do not expect LEGI proposals will necessarily fall neatly within LA boundaries (or even regional boundaries), and therefore encourage more flexible and imaginative cross-boundary applications. Arrangements will be put in place to ensure that GOs and RDAs are able to consider **cross-boundary proposals** jointly submitted by neighbouring local authorities for deprived areas which cross their administrative boundaries.
45. Finally, the proposals need to be compliant with European **state aid** rules. The Government will seek to find ways to support local authorities who are successful in applying for LEGI and have proposals that raise state aid implications.

*What happens next?*

46. The Government will explore options for helping disseminate best practice and evidence.

The Government will hold a national conference on best practice, and learning the lessons from previous policy efforts – particularly the Phoenix Fund.

47. The Government will consider what more could be done to support local areas in dealing with any state aid considerations that may arise in the development of local proposals.

The Government will consider the need for additional guidance or a national workshop on state aid, and options for 'grouping' similar state aid issues for clearance with the European Commission as appropriate.

48. The Government Offices and Regional Development Agencies should consider what could be done at the regional level to help develop suitable proposals, stimulate debate and capitalise on synergies.

The Government Offices and Regional Development Agencies should consider holding regional workshops on proposal development, to bring local partners together to learn and develop new ideas.

*What do I need to do now?*

49. Local and regional partners need to discuss the appropriate usage of the pump-priming resources in developing local proposals for LEGI. This should include a discussion of the priorities set-out in the various relevant strategies – in particular the Regional Economic Strategies. Some useful existing enterprise policies that local areas might like to explore in more detail are set out in Annex B.
50. Eligible local authorities should discuss with their RDA the collection and use of the available evidence base on which to base proposals.
51. Eligible local authorities that wish to submit cross-boundary proposals should meet to discuss the protocol for developing such proposals, and engage with the regional institutions to agree a handling arrangement that all agree upon.

*Will there be more information provided?*

52. Central government is in discussions with the Government Offices and the Regional Development Agencies about the development of appropriate criteria against which to assess LEGI proposals. Such criteria will be largely enabling rather than restricting, but local authorities will need to pay particular regard to any criteria that are issued in the near future. In the meantime, close and regular contact with the GO and RDA will ensure that no effort is wasted at this stage.

## STAGE FOUR: WRITING YOUR APPLICATION

*What do I need to know?*

53. A great deal of importance will be placed on the applications written and time should be spent getting them right. However, the substance of the applications will be more important than its presentation.
54. Government Offices and Regional Development Agencies will work with central government to determine the information that will be required in an application, and any regional variations on this that GOs and RDAs wish to see.
55. In addition, writing an application is a time and resource intensive exercise and should not be attempted if the proposals are not fully developed and agreed. It may be that local areas should consider applying to a later phase of LEGI. Government Offices and the RDAs will have a useful overview of the state of proposals across the region and will be able to advise local authorities on the suitability of moving forward to the application stage.
56. Further information will be required on what is expected in each application, although it is likely that the following information will be central:
  - a. **Vision, purpose and objectives:** what is the vision for the economic future of the local area, and how does this translate into concrete objectives;
  - b. **Evidence base:** what evidence has been used to determine need, the state of the local market, and what interventions have been seen to work;
  - c. **Proposal details:** what is it that the application is actually suggesting, what are the timetables, what indicators and targets are proposed, how do the proposals support and further wider strategies (including the Regional Economic Strategy) and relate to existing provision;
  - d. **Funding:** what are the funding requirements for the proposals – including budget and cashflow – and how is this complemented through leverage from other sources (both public and private);

- e. **Internal implementation:** details of the team who will implement the proposals, their skills, who they represent, how reporting and monitoring will be carried-out within the organisation;
- f. **Risks and risk management:** what are the key risks to the implementation and success of the proposals, how will they be mitigated, and what is the action if the risks mature;
- g. **Project plan / timeline:** a project plan showing how the resources, projects and timetable interact.

57. Completed applications for the first phase of LEGI should be sent to the Government Office for the region, copied to the Regional Development Agency, by **9 December 2005**. Dates for subsequent years will be announced in 2006.

*What happens next?*

58. Government Offices, Regional Development Agencies and central government will discuss and then confirm the arrangements for applications – including the information requirements.

The GOs, RDAs and central government will provide further guidance on completing a LEGI application, to be issued in to allow local areas sufficient time to complete and application by the deadline.

*What do I need to do now?*

59. Keep in mind during the development of evidence-based proposals for LEGI the need to be able to back-up proposals with robust and costed plans for implementation.

*Will there be more information provided?*

60. Yes – further information will be provided so local authorities are clear what needs to be included in the application for LEGI support.

## STAGE FIVE: ASSESSMENT OF APPLICATIONS

### *What do I need to know?*

61. As stated in the previous section, the substance of the applications will be more important than their presentation. Good ideas that are evidence-based, fully costed, with robust plans for implementation will be rewarded rather than 'professionally presented' applications.
62. The applications will be assessed against a set of **clear criteria** that will ensure that decisions are transparent and fully justifiable.
63. Such criteria – based around the three stated objectives in the original LEGI consultation document (see introduction) – will be enabling and **not unduly restrictive**. The Government recognises that it needs to protect against constraining local proposals and 'centralising' LEGI unnecessarily, but also has to balance this with ensuring taxpayers money is put to good use and **secures value for money**.
64. As the application process for LEGI proposals necessarily has to be competitive – with proposals being assessed against one another for the funds available to avoid 'jam spreading' – there is **no guarantee that an application will be successful in the first phase, nor that all regions will have a successful application**. It will therefore be the case that not all proposals eligible under the scheme will be awarded grant, and local and regional partners should work to both **manage expectations** within regions and localities, and to avoid unnecessary effort where possible.
65. Applicants will therefore be advised not to commit themselves to any expenditure until their application has been fully approved by ministers and an Offer Letter has been issued, then countersigned and returned. (This does not apply to pump-prime money allocated to all eligible local authorities who express an interest in developing proposals).

### *What happens next?*

66. The GOs, RDAs and central government will discuss the development of appropriate criteria.

Further guidance will be forthcoming on the criteria against which applications for LEGI support will be assessed.

67. The regional institutions will discuss and arrange appropriate arrangements for assessment of LEGI applications at the regional level.

The Government Offices will make clear to eligible local authorities the regional arrangements for the assessment of LEGI applications for phase one.

*What do I need to do now?*

68. Eligible local authorities, along with the regional institutions, need to manage expectations about the prospect of support from LEGI.
69. Regional institutions and local authorities should keep in close contact about the development of criteria for assessing applications – particularly when determining how the pump-priming resources should be used.
70. GOs should co-ordinate discussions with other partners – including the RDAs – about establishing effective regional assessment procedures that are appropriate for each region.

*Will there be more information provided?*

71. Yes – further information will be made available nationally and regionally on assessment criteria, and regionally on assessment arrangements.

## **STAGE SIX: RECOMMENDATIONS AND DECISIONS**

*What do I need to know?*

72. Regional Directors of the Government Offices will submit advice direct to ministers on the applications within their region.
73. Arrangements will be put in place at the national level to moderate between regions and ensure that ministers are able to take an objective and considered view of applications across all the regions – based on quality of proposals and likelihood of success.
74. Ministers will then make final **decisions** of who will receive support from LEGI in the first phase. Final confirmation of LEGI support will mean that the outcomes, indicators etc set-out in the application and agreed with the GO and RDA are then fixed

and agreed. They will form part of the broader fourth pot of the **Local Area Agreement** (LAA) where one exists, or a similar parallel agreement for those areas that do not yet operate an LAA. Such indicators will not be renegotiated as part of the ongoing LAA discussions.

75. GOs will then inform those authorities that have been unsuccessful in the first round of LEGI, including reasons why that application was unsuccessful, and engage in discussions about **re-applying** for future phases (see stage nine)
76. Details of applications will be treated as **commercially confidential** throughout the assessment stage. Once applications have been approved, the Government and regional institutions will likely make simultaneous announcements, making public some details, such as the name of the successful local area, the amount of grant approved and the nature of the project to which grant has been awarded.

*What happens next?*

77. Government will discuss with the regional institutions the arrangements for any national moderation procedure, to ensure that it is transparent and does not compromise the advice provided by the GO Regional Directors.
78. Discussions will also take place to determine the most appropriate arrangements for recording and delivering feedback on unsuccessful applications in the most helpful manner possible.
79. GOs and local authorities to agree on arrangements for agreeing the indicators and outcomes in the LEGI application to ensure that it is fit for purpose with regard to the LAA process.

*What do I need to do now?*

80. Nothing at this stage – any action required at a later stage will be made clear at the appropriate time.

*Will there be more information provided?*

81. Yes – to ensure there is confidence in any national moderation, the Government will ensure the arrangements are made as transparent as possible, and will provide information about how the moderation will operate.

## **STAGE SEVEN: IMPLEMENTATION, MONITORING AND EVALUATION**

*What do I need to know?*

82. The LEGI timetable has been designed to allow as much time as is possible within the overall timeframe for local authorities and their partners, who have been successful in applying for financial support from LEGI, to **prepare to 'go live'** in time for the start of the 2006-07 financial year.
83. The **agreed funding** will be issued at the start of the 2006-07 financial year. The funding will most likely be routed via the Government Offices in each region.
84. The local authority should engage in ongoing monitoring and evaluation of their own performance, collecting and using evidence to assess the positive impact of their LEGI programme. The **ongoing evaluation and collection of evidence** should be consistent with the approach used by the RDAs where possible – to capitalise on synergies and maximise the development of a robust and useable evidence base to guide future policy development.
85. The local authority, partners and the regional institutions may be expected to take part in an **evaluation of the LEGI process** for phase one, to enable learning of lessons and the ability to refine the process for phase two.

*What happens next?*

86. Central government, working with the regional institutions, will continue to work on appropriate evaluation and evidence-collection mechanisms and protocols, to ensure we are able to learn from other programmes (such as the Phoenix Fund), and continue to build a strong evidence base.

*What do I need to do now?*

87. The RDAs and GOs will be asked to contribute to the development of appropriate mechanisms and protocols in this area.

*Will there be more information provided?*

88. Yes – but this information will likely not be made available until later in 2005 to allow time for development of robust systems.

## **STAGE EIGHT: PREPARING FOR THE NEXT PHASE OF LEGI**

### *What do I need to know?*

89. Those local authorities that are not successful in the first phase of LEGI may wish to re-apply for future phases in the following two years.
90. GOs and RDAs should engage in discussions with such authorities at an early stage following decisions, to make clear why the application was unsuccessful, what could be built upon to further strengthen the application for the next phase, and offer guidance on which of the following two phases would be the most appropriate to aim for.
91. Local authorities should use this time to respond positively to the feedback and further develop their proposals for future phases.
92. Central government will reflect on any evaluation of the first phase of LEGI and refine the process as appropriate.

### *What happens next?*

93. Long-term planning for phase two of LEGI, and consideration of possible changes to the LEGI process.

### *What do I need to do now?*

94. Nothing at this stage.

### *Will there be more information provided?*

95. More information will likely be provided on the nature and details of any evaluation mechanism for phase one of LEGI, and any suggested changes to phase two at the appropriate time.

## **ANNEX A: LEAD CONTACTS IN THE GOVERNMENT OFFICES**

**Ian Dodds**  
**Government Office for the North East**  
**City Gate**  
**Gallowgate**  
**Newcastle Upon Tyne**  
**NE1 4WH**  
**Tel: 0191 202 3646**  
**Email: [ian.dodds@gone.gsi.gov.uk](mailto:ian.dodds@gone.gsi.gov.uk)**

**Verni Tannam**  
**Government Office for Yorkshire and The Humber**  
**25 Queens Street**  
**Leeds**  
**LS1 2TW**  
**Tel: 0113 233 8240**  
**Email : [verni.tannam@goyh.gsi.gov.uk](mailto:verni.tannam@goyh.gsi.gov.uk)**

**Chris Lewis**  
**Regeneration and Cultural Team**  
**Government Office for the East of England**  
**Eastbrook**  
**Shaftesbury Road**  
**Cambridge**  
**CB2 2DF**  
**Tel: 01223 372 590**  
**Email: [chris.lewis@goe.gsi.gov.uk](mailto:chris.lewis@goe.gsi.gov.uk)**

**Mark Tovey**  
**Government Office for the West Midlands**  
**5 St Philips Place**  
**Birmingham**

**B3 2PW**

**Tel: 0121 352 5299**

**Email: [mark.tovey@gowm.gsi.gov.uk](mailto:mark.tovey@gowm.gsi.gov.uk)**

**Colin Packman**

**Government Office for the East Midlands**

**The Belgrave Centre**

**Stanley Place**

**Talbot Street**

**Nottingham**

**NG1 5GG**

**Tel: 0115 971 2654**

**E-mail: [Colin.packman@goem.gsi.gov.uk](mailto:Colin.packman@goem.gsi.gov.uk)**

**From 26 July Marie-Laure Huke will be regional lead.**

**E-mail: [Marie-laure.huke@goem.gsi.gov.uk](mailto:Marie-laure.huke@goem.gsi.gov.uk)**

**Chris France**

**Government Office for the North West**

**City Tower**

**Piccadilly Plaza**

**Manchester**

**M1 4BE**

**Tel: 0161 952 4411**

**Email: [chris.france@gonw.gsi.gov.uk](mailto:chris.france@gonw.gsi.gov.uk)**

**Sarah Connolly**

**Government Office for the South West**

**2 Rivergate**

**Temple Quay**

**Bristol**

**BS1 6ED**

**Tel: 0117 900 1934**

**E-mail: [sarah.connolly@gosw.gsi.gov.uk](mailto:sarah.connolly@gosw.gsi.gov.uk)**

**Jessica Cluett**

**Government Office for the South East**

**Bridge House**

**1 Walnut Tree Close**

**Guildford**

**Surrey**

**GU1 4GA**

**Tel: 01483 882 883**

**E-mail: [jessica.cluett@gose.gsi.gov.uk](mailto:jessica.cluett@gose.gsi.gov.uk)**

**From 1 September Kathy McTaggart will be the regional lead.**

**E-mail: [Kathy.mctaggart@gose.gsi.gov.uk](mailto:Kathy.mctaggart@gose.gsi.gov.uk)**

**Shanaaz Carroll**

**Government Office for London**

**Riverwalk House**

**157 – 161 Millbank**

**London SW1P 4RR**

**Tel: 0207 217 3238**

**Email: [shanaaz.carroll@gol.gsi.gov.uk](mailto:shanaaz.carroll@gol.gsi.gov.uk)**

## **ANNEX B: USEFUL ENTERPRISE POLICIES**

### **Phoenix Fund** – <http://www.sbs.gov.uk/phoenix>

The Phoenix Fund encourages enterprise in disadvantaged communities and in groups under-represented in terms of business ownership. Financial support from the fund is not available directly to individuals or businesses, rather it is channelled through specialist business support providers and financial intermediaries.

### **Business Brokers/Business Engagement Toolkit**

<http://www.neighbourhood.gov.uk/page.asp?id=696>

A pilot Business Broker initiative has been established to help Local Strategic Partnerships (LSPs) to engage the private sector in developing and delivering their local neighbourhood renewal strategies.

### **Under-served Markets project**

[http://www.bitc.org.uk/programmes/programme\\_directory/regeneration/underserved\\_markets/](http://www.bitc.org.uk/programmes/programme_directory/regeneration/underserved_markets/)

The Under-served Markets project is a business-led, commercially-based investment strategy that is working with a group of national retailers and developers to consider how best to access market opportunities to be found in some of the UK's most deprived areas.

### **Enterprise Areas Toolkit**

[www.sbs.gov.uk/entareas](http://www.sbs.gov.uk/entareas)

Enterprise Areas are a policy toolkit designed to focus and co-ordinate measures targeted on or likely to help businesses in deprived areas. Businesses in an Enterprise Area may benefit from one of several new or existing forms of Government assistance, including stamp duty exemptions, help from a Community Development Finance Institution, and neighbourhood renewal projects.

### **Business Incubation** (need to ensure fits with SBS's new fund)

<http://www.ukbi.co.uk/>

As business incubation environments mature, UKBI has a key role in creating and maintaining the national network hub for the exchange and development of learning amongst its many communities of interest, including those responsible for developing incubation overseas.

### **Ethnic Minority Businesses**

[www.ethnicbusiness.org](http://www.ethnicbusiness.org)

The Ethnic Minority Business Forum 's (EMBF) remit is to provide independent advice to Government in relation to SME policy and practice as they relate to ethnic minority business.

### **Action Against Business Crime**

<http://www.brc.org.uk/aabc/>

Action Against Business Crime (AABC) is the national organisation for business crime reduction partnerships (BCRPs) and is also a partnership between the British Retail Consortium and the Home Office to expand the work and impact of BCRPs.

### **Social Enterprise**

[www.sbs.gov.uk/socialenterprise](http://www.sbs.gov.uk/socialenterprise)

Social Enterprises are businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners.