

## **LOCAL ENTERPRISE GROWTH INITIATIVE**

### **SUPPLEMENTARY REGIONAL ADVICE FOR THE NORTH WEST**

#### **ISSUED BY GONW AND NWDA**

**14 SEPTEMBER 2005**

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## **1. INTRODUCTION**

- 1.1 The GONW and Northwest Regional Development Agency (NWDA), in consultation with JobCentre Plus and the region's Learning & Skills Councils (LSCs), have jointly prepared supplementary regional advice for local authorities that are eligible to participate in the Local Enterprise Growth Initiative (LEGI).
- 1.2 The Government's LEGI Consultation Paper and Next Steps advice, which were published in March and July 2005, respectively, remain the core guides for LEGI eligible partners. These documents set out the key objectives and principles underpinning LEGI.
- 1.3 The Advice for the North West, which has been endorsed by ODPM, is designed to compliment the national criteria against which Ministers will ultimately assess the LEGI bids.
- 1.4 The regional advice also builds on the key messages, which were set out in the recent letter from GONW to local partners, issued in August, on the use of the LEGI pump priming funds.
- 1.5 The primary purpose of the Regional Advice is to use local and regional knowledge to help partners to develop and bring forward robust LEGI proposals.
- 1.6 In addition to the Regional Advice, however, we expect ODPM to issue a further short document, by the end of September, which will expand on the six key principles, set out in the Next Steps advice, clarify financial and operational requirements, and identify the core indicators and performance measures that will be used to assess the impact of LEGI proposals.
- 1.7 By clearly addressing the five key issues emphasised below, and in Annex A, local partners, and the region as a whole, will be in a stronger position to take advantage of the opportunities afforded by LEGI, over the coming years, and to link successful proposals to the full range of established and emerging strategic frameworks and initiatives operating within the region.

## **2. KEY EMPHASISES FOR LOCAL PARTNERS**

### **i. Delivering Transformational Change**

- 2.1 The Government views LEGI as an important catalyst for the development of new and innovative approaches to lifting the economic prospects of residents, communities and businesses in disadvantaged areas.

- 2.2 LEGI is also expected to help secure transformational change in areas of greatest economic need by requiring local partners to develop more integrated and focused approaches to improving local competitiveness, and to ensuring that economically disadvantaged residents are able to access the employment and wealth creation opportunities that are being created.
- 2.3 LEGI is not about encouraging “more of the same” economic interventions or providing a new funding source to support time-expired projects.
- 2.4 In first phase Local Area Agreement (LAA) areas, LEGI is expected to form a core element of local partners’ 4<sup>TH</sup> Block proposals, and link with wider regeneration measures and LAA interventions.
- 2.5 The LEGI development process also provides a further opportunity to highlight, with supporting evidence, any additional policy changes, freedoms and flexibilities that local partners may require to help reinforce the impact of their proposed interventions.
- 2.6 The problems of significant worklessness and weak entrepreneurship in deprived areas are deep and require a robust and lasting response and not quick fix solutions. Partners must therefore clearly show the nature and scale of their expected impacts, and identify the intended beneficiaries of their proposed interventions.

**ii. Clear Priorities and Strong Local Leadership**

- 2.7 The proposals of local partners must clearly evidence and articulate how and where their priorities for action would help to close the enterprise performance gaps of residents and communities in the greatest economic need more quickly.
- 2.8 GONW and NWDA will also expect partners to prioritise thematic and spatial priorities of both local and regional significance. The priorities identified in the Draft RES, and Business Skills Northwest’s Statement of Skills Priorities, provide the basis and wider context for local partners developing their proposals. (Also see the section below on Relating Local Priorities to Regional Frameworks).
- 2.9 We will expect proposals to help remove barriers that are preventing/limiting the ability of residents, in the greatest economic need, from accessing the wealth creation and employment growth opportunities that are being created. The contribution of LEGI proposals, in closing the enterprise gaps of workless, unskilled, BME residents, women and/or other key target groups, especially, must be clearly stated.
- 2.10 LEGI proposals may focus on improving the effectiveness and impact of existing mainstream business support infrastructure – suppliers and products. Partners may also propose enhancements to and/or the re-focusing of established services, and are encouraged to bring forward proposals that clearly address a market failure and/or an unmet demand.
- 2.11 However, proposals that establish competing or conflicting business support services and/or fail to meet the requirements of current and potential service users will not be supported by GONW and NWDA.

- 2.12. In localities where a LAA is being developed, and especially 4<sup>th</sup> Block proposals, LEGI proposals must also be linked to actions aimed at improving and re-focusing mainstream employability, skills and business support services.
- 2.12 Local authority boundaries do not fully capture the spatial relationships and dynamics between market opportunities and the economic needs of residents and communities. To this end, proposals must consider and determine the spatial level, at which their proposed interventions would be most effective and sustainable.
- 2.13 The spatial implications of partners' proposals may have a major impact on how key actions are co-ordinated and delivered. (Also see section below on Collaboration Across All Sectors and Cross-Boundaries).
- 2.14 We also expect proposals to clearly indicate the respective roles and contributions of key public, private and community sector partners in delivering agreed priorities for action.
- 2.15 Strong proposals will also provide clarity and certainty on the strategic leadership arrangements for taking forward the development and delivery of proposed interventions. The ability of partners to deliver the change required will be a key determinant of successful LEGI bids.

### **iii. Relating Local Priorities to Regional Frameworks**

- 2.16 Local partners must locate their LEGI proposals in the context of wider regional, sub/city-regional and local agendas. We will expect proposals to clearly demonstrate how their intended interventions would help to deliver and add real value to the key priorities identified in the new Draft RES and the agreed priorities of the Regional Skill Partnership.
- 2.17 We will also expect successful proposals to develop clear and strong linkages with other key initiatives of regional significance, including emerging sub/city-regional plans; HMR Pathfinder initiatives; URC masterplans; Pathways to Work Pilots; and City Growth strategies, where appropriate.

### **iv. Collaboration Across All Sectors and Cross-Boundaries**

- 2.18 Local partners are expected to fully engage key public, private and community sector partners, to ensure that their proposals are not only effective, but also command the support and confidence of intended beneficiaries and key partners.
- 2.19 Given the economic footprint of localities, and the spatial concentrations of economic need, partners will be expected to test whether collaborative proposals with others in adjacent areas, or areas with similar issues, are the most effective way forward.
- 2.16 However, partners submitting cross-boundary collaborative proposals must clearly demonstrate the legibility of proposed actions, and the outcomes that would be achieved, for residents and communities in the greatest economic need. Such proposals would also need to clearly show that collaborative proposals were not being pursued at the expense of targeting and delivering improved outcomes for those in the greatest economic need.

2.17 Clarity on management and delivery arrangements will be especially important for cross-boundary collaborative proposals. Therefore, early and active engagement with all relevant local/sub-regional stakeholders, not least the private sector, will be vital for successful proposals.

**v. Learning from Experience**

2.18 It is important that all proposals are based on robust evidence. However, successful proposals will also be able to demonstrate how partners have learned key lessons from their previous interventions and experiences. Strong proposals will therefore identify how partners intend to apply the knowledge and experience that they have acquired in recent years.

2.19 However, as set out in the recent GONW letter to LEGI eligible local authorities, we would not expect to see pump priming funds being used to undertake detailed research, without first identifying the strategic rationale for commissioning further analysis.

2.20 Robust arrangements for on-going monitoring and review, linked to established performance management frameworks, are essential as part of the learning process; refining the evidence-base; and contributing to the development of wider policy interventions.

**vi. The LEGI Development Process**

2.21 Though national funding for LEGI has been secured for the next three years, with further allocations subject to the outcome of CSR2007, only a very limited number of proposals will be prioritised and supported in the first year of LEGI.

2.22 Therefore, partners are asked to seriously assess whether they are fully able to develop and deliver a first phase proposal of the standard demanded, and one that is capable of generating the outcomes required.

2.23 In light of this, we expect that some partners may decide to invest more time and effort (and pump priming resources) in bringing forward robust, high quality proposals for submission to the second or third phases of LEGI, in December 2006.

**3. NEXT STEPS AND KEY MILESTONES**

3.1 The next steps and key milestones are as follows:

- \* September 2005 – local partners decide whether they intend to develop and submit a first phase LEGI proposal.
- \* End of September/early October 2005 – further clarification from ODPM on the outcome measures and evaluation criteria that will be used to assess proposals.
- \* Early/mid-October September – local partners invited to a regional seminar on the development of LEGI proposals.
- \* September/November 2005 – local partners develop their proposals.

- \* September/November 2005 – GONW and NWDA work with local partners on developing and refining their proposals.
- \* 9 December 2005 – deadline for proposal submissions to GONW.
- \* December 2005/January 2006 – GONW and NWDA assess proposals from partners in the North West.
- \* February 2006 – Government considers recommendations.

#### **4. KEY CONTACTS**

- 4.1 Your LEGI contact in GONW will be your 4<sup>th</sup> Block Lead or your usual Local Strategic Partnership Contact as noted in our 12<sup>th</sup> August Pump Priming Letter.

Martin Kelly  
NWDA  
Centre Park  
Renaissance House  
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Tel: 01925 400 236  
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## KEY EMPHASISES FOR LEGI PROPOSALS

We would expect successful LEGI proposals to have addressed and established the following:

### \* **EVIDENCE-BASE**

Clear evidence base; understanding of an area's needs; key barriers that need to be overcome; what have you learnt from earlier interventions and how has that helped to shape your approach and thinking to LEGI?

### \* **PRIORITISATION**

Clear target group(s), intended beneficiaries, and spatial level of intervention.

### \* **STRATEGIC COHERENCE**

How will proposals act as a catalyst to drive forward existing mainstream interventions? How do your proposals link to existing and emerging strategies and initiatives? Do you require any further 'freedoms and flexibilities' to enhance the delivery of your proposals?

### \* **LOCAL LEADERSHIP & CAPACITY TO DELIVER**

Are all key local partners fully engaged and supportive of your proposals? Is there clarity and certainty on the strategic leadership arrangements for taking forward the development and delivery of proposed interventions? Can partners truly deliver the change that is sought?

### \* **TRANSFORMATIONAL CHANGE**

What will be the scale and impact of your proposals? How will partners ensure that interventions are sustainable? Are monitoring and review arrangements linked to established local performance management frameworks? How will your proposals generate better learning, and the exchange of best practice?