

North Tyneside Council

Report to Cabinet

Date: 14 March 2016

ITEM 7(h)

Title: Community Led
Local Development

Portfolio(s): Cabinet Member responsible
for Community Engagement

Cabinet Member(s): Cllr Carole Burdis

Report from Service

Area: Corporate Strategy

Responsible Officer: Jacqueline Laughton

Tel: (0191) 643 5724

Wards affected: Riverside, Chirton, Howdon, Wallsend,
Valley, Camperdown

PART 1

1.1 Executive Summary:

North Tyneside Council has recently received confirmation that it has been successful in securing funding of £0.022m from ESF (European Social Fund) & ERDF (European Regional Development Fund), to support the development of a Community Led Local Development (CLLD) project, a European Union (EU) funded initiative (Phase one). This is a joint project with South Tyneside that will cover the parts of Riverside, Chirton and Howdon wards.

This funding will be split with South Tyneside and the North Tyneside allocation will be matched by staff time from within the Corporate Strategy Team.

Under Phase one a further application for CLLD funding of around £2.1 million per CLLD area, will be submitted. It is anticipated that this funding will be available from April 2017 and will be available for 5 years. If successful, any funding granted for CLLD will also include a requirement for match funding. The phase one development phase will identify how this funding is likely to be spent and the process for organisations to be able to apply for it, the details of the role of the accountable body and the process for monitoring of any allocations.

Any requirement for match funding from the Authority that cannot be met within existing resources will be brought to Cabinet or Council as appropriate for approval before any monies are committed or grant bids submitted.

In addition the Authority are working with Northumberland County Council on a CLLD area that may include communities in the North West of the borough and Newcastle City Council on a CLLD area that may include central Wallsend.

A successful CLLD strategy will result in around £2.1 million for each CLLD area from April 2017 from the European Social Fund (ESF) and the European Regional Development Fund (ERDF).

Confirmation of the development projects was received at the beginning of March 2016. To achieve the tight milestones required as a condition of the EU funding, approval to establish a Local Action Group, development the CLLD strategy and start to consult on who will be the accountable body is needed at this Cabinet meeting.

1.2 Recommendation(s):

It is recommended that Cabinet authorise:

- (1) the Head of Corporate Strategy in consultation with the Head of Finance and the Head of Law and Governance to undertake appropriate discussions as set out in the report for the development of an accountable body for the funding of the CLLD project and a further report be submitted to Cabinet in August 2016 to agree who will be the named accountable body for the CLLD project;
- (2) the Head of Corporate Strategy, in consultation with the Cabinet Member for Community Engagement, the Head of Finance and the Head of Law and Governance to agree the recruitment process that will result in the appointment of the North Tyneside / South Tyneside Local Action Group;
- (3) the Head of Corporate Strategy, in consultation with the Cabinet Member for Community Engagement to ensure that appropriate representation is made from North Tyneside on the North of Tyne and Northumberland CLLD Local Action Groups; and
- (4) the Head of Corporate Strategy, in consultation with the Head of Finance and the Head of Law and Governance, working with the Local Action Group, to commission the development of the CLLD strategy that meets the requirements set out in the EU funding agreements from the Department for Communities and Local Government (DCLG) and the Secretary of State for Work and Pensions (DWP).

1.3 Forward Plan:

The Authority received confirmation on 2 March 2016 that they have been awarded funding to support the development stage (Phase one) of the CLLD application. The Authority has until the 31st August 2016 to establish a Local Action Group, and for that group to oversee the development of a CLLD strategy. Due to the tight timescales it is important that this report is brought to Cabinet as quickly as possible. As a result this report has not appeared on the forward plan.

1.4 Council Plan and Policy Framework

1.4.1 This report relates to the following priorities in the 2014/18 Our North Tyneside Plan

Our People will:

Be listened to, and involved by responsive, enabling services.

Be ready for school – giving our children and their families the best start in life.

Be ready for work and life – with the skills and abilities to achieve their full potential, economic independence and meet the needs of local businesses
Be healthy and well – with the information, skills and opportunities to maintain and improve their health, well-being and independence.
Be cared for and safeguarded if they become vulnerable.

Our Places will:

Be great places to live, and attract others to visit or work here.
Offer a good choice of quality housing appropriate to need, including affordable homes.
Provide a clean, green, healthy, attractive and safe environment.
Have an effective transport and physical infrastructure - including our roads, cycle ways, pavements, street lighting, drainage and public transport.

Our Economy will:

Grow by building on our strengths, including our existing world class companies, and small and growing enterprises.
Have the right skills and conditions to support investment, and create and sustain new good quality jobs and apprenticeships for working age.

1.4.2 The CLLD project can support the work to address deprivation in the Riverside and Chirton Wards as approved by Cabinet on 14 December 2015.

1.5 Information:

1.5.1 Background

CLLD is an EU funding programme focused on urban areas. The focus of the project is to get people who have multiple and complex needs into work.

CLLD areas need to focus on communities in the lowest 20% on the 2010 Index of Multiple Deprivation (IMD) with population sizes of between 10,000 and 150,000. The EU funding for the full programme is subject to a requirement in relation to public sector match funding, as well as match funding on any grants awarded as part of the project. Further guidance in relation to the match funding will be produced by the Managing Authorities (DCLG – the Department for Communities and Local Government and DWP - Department for Work and Pensions) over the coming months. The minimum spend set out in current guidance from the Managing Authorities for each CLLD area will be 3 million Euros (about £2.1 million on current exchange rates) over 5 years. Funding awarded will be a combination of ESF (European Social Fund) and ERDF (European Regional Development Fund).

1.5.2 The focus of the programme must be community led, from the bottom up and advice / guidance received from the Managing Authorities has indicated that project that span across more than one Local Authority are more likely to be successful.

As a result, the Authority has been working with Newcastle City Council on a CLLD area that will include central Wallsend and Northumberland County Council on a CLLD area that will include some of the North West (particularly the pit villages).

However the main CLLD area for North Tyneside will be a joint North / South Tyneside programme covering parts of Riverside, Chirton and Howdon in North Tyneside together

with Jarrow and Hebburn in South Tyneside. The Authority has led the bid development for both ESF and ERDF development funding.

1.5.3 On 12th February 2016 the Authority was informed that our application for funding to support a stage one application for CLLD funding had been successful, subject to a number of conditions.

These conditions have been addressed and funding agreements for both ESF and ERDF development funding were received by the Authority at the beginning of March 2016.

1.5.4 The development stage of this project will result in the following:

- Identification of the Accountable Body: Further guidance on what is involved is expected and a further report will be presented to Cabinet in August 2016 to seek approval for the Accountable Body.
- Creation of a Local Action Group: This group will oversee and steer the project. The group must be representative of the CLLD area and cannot have more than 49% involvement of any one sector. It is expected that Business, Voluntary and Community Sector and the statutory sector, e.g. the Local Authority, Health, Police etc will all be represented.
- Development of a CLLD strategy: This will identify how the money will be spent within the CLLD area.

1.5.6 The key milestones, as set out in the funding agreement are:

Timescales as set out within the funding agreement:

Stage one

March 2016	Funding confirmed
March – August 2016	Establish a Local Action Group (LAG), to commission / sign off a CLLD development strategy and agree who will be the accountable body.
31 st August 2016	Submit Draft CLLD Strategy and identification of proposed Accountable Body to the Managing Authority (DWP and DCLG)
End October 2016	Managing Authority (MA) approves and invites successful applicants to progress to Stage 2 and submit full application.

Stage two

End December 2016	Applicant submits full application for implementation of agreed CLLD strategy (identifying lead fund for management and administration where appropriate).
End March 2017	MA issues funding Agreement for Stage 2 implementation
April 2017	Applicant signs funding Agreement and CLLD implementation starts. Programme will be delivered over 5 years.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

Cabinet can agree the recommendations set out in section 1.2 of this report to support the recruitment of a Local Action Group, agreement of an Accountable Body and the development of a CLLD strategy.

Option 2

Cabinet can reject the recommendations set out in section 1.2 of this report

Option one is the recommended option.

1.7 Reasons for recommended option:

Option one is recommended for the following reasons:

If Cabinet reject the recommendations the milestones set out in the preparatory stage of CLLD will not be achieved. This will mean that the Authority will not be able to complete the application stage for CLLD funding, which based on current exchange rates is approximately £2.1 million for each CLLD area, which in turn would mean the loss of opportunity to get people who have multiple and complex needs into work.

1.8 Appendices:

There are no appendices

1.9 Contact officers:

Felicity Shoesmith, Community and Voluntary Sector Liaison Manager, tel. (0191) 643 7071
Melissa Wells, Strategic Policy & Funding Adviser tel. (0191) 643 6416
Alison Campbell, Strategic Business Partner, tel. (0191) 643 7038

1.10 Background information:

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- (1) CLLD ESF full application form, 27th November 2015
- (2) CLLD ERDF full application form, 27th November 2015
- (3) European Social Fund Funding Agreement between the Secretary of State for Work and Pensions and the Authority. Project Name: North Tyneside / South Tyneside CLLD Preparatory Phase
- (4) European Regional Development Fund Agreement between the Department for Communities and Local Government and the Authority. Project Name: North Tyneside / South Tyneside CLLD Preparatory Phase

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

Funding of £0.022m has been secured to support the development of phase one from ESF and ERDF. This funding will be split with South Tyneside and the North Tyneside allocation will be matched by staff time from within the Corporate Strategy Team.

Phase one will result in an application for the CLLD funding of around £2.1 million per CLLD area which will start from April 2017 and be available for 5 years. If successful, CLLD will also include a requirement for match funding. The stage one development phase will identify how

this funding is likely to be spent, the process for organisations to be able to apply for it, the details of the role of the accountable body and the process for monitoring of any allocations.

Any requirement for match funding from the Authority that cannot be met within existing resources will be brought to Cabinet or Council as appropriate for approval before any monies are committed or grant bids submitted.

2.2 Legal

There are no direct legal implications arising from this report although the Authority will need to ensure compliance with the conditions imposed by EDF and ERDF in the respective funding agreements.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

CLLD has been discussed with Cabinet Members, the Senior Leadership Team and with relevant officers in relation to the project to tackle deprivation in Riverside and Chirton.

2.3.2 External Consultation/Engagement

CLLD had been discussed with representatives from the Community and Voluntary Sector at events in June and September 2015. An event about CLLD took place on 11th November 2015 that was actively promoted through community, voluntary sector and business networks.

2.4 Human rights

There are no human rights implications arising from this report, however the outcome of the strategy is to increase opportunities for residents in the CLLD areas to gain skills and support to help them achieve employment.

2.5 Equalities and diversity

All equalities sections of the bid were completed and approved by the EDF and ERDF.

Application forms for those wishing to be members of the Local Action Group include equality monitoring questions to enable compliance with the requirement to be representative of the CLLD area.

Equality Impact Assessments will be undertaken at relevant times throughout the project as part of project planning and review.

2.6 Risk management

A risk register will be developed as part of this project. There is no claw back on the initial development funding. Therefore at this stage the risks are limited. However the establishment of a Local Action Group that is representative of the CLLD area will be a key milestone and needs to be established at the beginning of phase one. Approval by Cabinet to develop the Local Action Group and Strategy will reduce this risk.

2.7 Crime and disorder

There are no crime and disorder implications arising from this report.

2.8 Environment and sustainability

The CLLD strategy will take into account the Authority's policies on environmental sustainability. The initial workshop November 2015 included information about environmental sustainability and this will form part of the induction programme for LAG members. There are no environmental and sustainability implications directly arising from this report.

PART 3 - SIGN OFF

- Deputy Chief Executive X
- Head(s) of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Head of Corporate Strategy X