

North Tyneside Council

Report to Cabinet

Date: 15 August 2016

ITEM 6(b)

Title: Community-led Local Development (CLLD)

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: Mainly Riverside, Chirton, plus Tynemouth and Preston

PART 1

1.1 Executive Summary:

North Tyneside Council has received £0.022m of funding from ESF (European Social Fund) and 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 Council that will cover parts of Riverside, Chirton, Preston and Tynemouth wards.

Phase one of the project is nearing completion and will result in an application for funding of 3 million euros (around £2.1 million) per CLLD area to be applied for from the Department for Communities and Local Government (DCLG) and the Secretary of State for Work and Pensions (DWP) (the Managing Authorities). The funding application for Phase two must be submitted by 31st August 2016.

Guidance following the EU Referendum is to continue to develop the CLLD project. It is anticipated that Phase two 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 stage has identified how this funding is likely to be spent as well as 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.

To meet the requirements of the Phase two application the Authority has to identify who will be the Accountable Body for this project. This report sets out the role of the Accountable Body and makes a recommendation for Cabinet to consider.

1.2 Recommendation(s):

It is recommended that Cabinet authorise:

- 1.2.1 the Head of Corporate Strategy in consultation with the Head of Finance and the Head of Law and Governance to confirm that North Tyneside Council will act as the Accountable Body for the North Tyneside / South Tyneside CLLD project;
- 1.2.2 the Head of Corporate Strategy, in consultation with the Cabinet Member for Community Engagement, the Head of Finance, Cabinet Member for Finance and Resources and the Head of Law and Governance consult with South Tyneside Council to agree a Service Level Agreement that will set out the roles to be undertaken by both Authorities; and
- 1.2.3 the Head of Corporate Strategy, in consultation with the Cabinet Member for Community Engagement, the Head of Finance and the Cabinet Member for Finance and Resources to ensure that appropriate costs are included within the application to the Department for Communities and Local Government (DCLG) and the Secretary of State for Work and Pensions (DWP) to support the funding of the responsibilities of the Accountable Body.

1.3 Forward Plan:

Twenty eight days notice of this report has been given and it first appeared on the Forward Plan that was published 13th June 2016.

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 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 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 supports 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

- 1.5.2 In March 2016 Cabinet authorised the Authority to support the development of three CLLD phase one projects covering different areas within North Tyneside.

Phase one of the CLLD projects has to achieve the following three outcomes by the 31st August 2016.

- Establish a Local Action Group
- Develop a Local Development Strategy
- Agree the Accountable Body

The Local Action Group (LAG), this is the group of people who have responsibility for the development of the Local Development Strategy and make decisions on what projects are funded to achieve the outcomes set out in the strategy. It will normally involve between 12-14 people, no one sector can have more than 49% of members on the LAG.

The Local Development Strategy identifies the particular problems within the CLLD area that stop people gaining employment.

- 1.5.3 The Authority has worked with Northumberland County Council to develop a CLLD project that includes Camperdown and Valley Wards within North Tyneside. This CLLD area is currently on target to submit an application for Phase two funding, with Northumberland County Council as the Accountable Body.
- 1.5.4 The Authority has also worked with Newcastle City Council to develop a CLLD project that includes Wallsend Ward within North Tyneside. This CLLD area is currently on target to submit an application for phase two funding, with Newcastle City Council as the Accountable Body.
- 1.5.5 The Authority has been working with South Tyneside Council on a CLLD area that covers Riverside and Chirton wards and a smaller area of Preston and Tynemouth wards. The area of South Tyneside included is of a similar geography and population size.

In the South / North Tyneside CLLD a Local Action Group has been established which is made up of 14 members. The LAG has met on a number of occasions and members have overseen a programme for Community Engagement that will inform the Local Development Strategy.

The South / North Tyneside CLLD has also developed a draft Local Development Strategy that is currently out for further consultation. This will be completed ahead of the end of August deadline.

- 1.5.6 The Authority has led the development of this project and this report sets out a recommendation that the Authority agrees to take on the responsibility of the Accountable Body for Phase two of the South/ North Tyneside CLLD.

The Accountable Body is responsible for supporting the LAG, ensuring that organisations wishing to bid for funding understand what is involved and meet the required criteria, including ensuring that they have the necessary finance to bring the required match funding for their project. The Accountable Body will also check the governance arrangements within any organisation wishing to secure funding, undertake project appraisals that will be shared with the LAG, ensure that projects deliver agreed outcomes and arrange payments on authorised expenditure.

If successful each CLLD will be awarded at least £2.1 million with a requirement that this funding is matched. Most of this funding will pay for initiatives that will result in the delivery of the strategy. Any organisation or business receiving funding will need to identify the match funding they will put into the project.

Some of the CLLD funding from European Social Fund (ESF) and European Regional Development Fund (ERDF) will be used to support the roles needed to be the

Accountable Body. It is expected that up to four different post holders within Corporate Strategy will spend some of their time on work associated with carrying out the role of Accountable Body for the CLLD area. Therefore the match funding (a requirement of EU funding) for the management of the Accountable Body will come from existing Corporate Strategy staffing budgets. The number of different posts reflects the different roles and the need for clear lines of accountability that separate the different tasks that will need to be undertaken by the Accountable Body. CLLD funding will be available over a 5 year period starting April 2017.

1.5.7 The Accountable Body's primary responsibilities are in the following areas:

- supporting the Local Action Group
- facilitating project applications
- project assessment and approval
- dispersal of grant funding
- monitoring and verification

The Accountable Body will receive the funding from the Managing Authorities and be responsible for ensuring it is used in line with the European Regional Development Fund and European Social Fund rules. It must also ensure that European Regional Development Fund and or European Social Fund monies are spent in accordance with the relevant funding agreement and national eligibility rules and that the European Regional Development Fund outputs and / or European Social Fund outputs and results agreed in the funding agreement are achieved. If an organisation fails to meet the agreed outputs they will not receive funding.

The resource implications will be set out in the Local Development Strategy that must be submitted to DWP and DCLG by the 31st August 2016. Up to 25% of eligible CLLD funding is available to fund the roles needed to provide the services of the Accountable Body and therefore is not an additional financial cost to the Authority except for staff time.

1.6 Decision options:

The following decision options are available for consideration by Cabinet.

Option 1

Cabinet may agree the recommendations set out in section 1.2 with North Tyneside Council becoming the Accountable Body.

Option 2

Cabinet may not approve the recommendations at 1.2 and ask South Tyneside Council to consider being the Accountable Body for CLLD.

Option 3

Cabinet may not approve the recommendations set out in section 1.2 of this report and not proceed with the CLLD project.

Option one is the recommended option.

1.7 Reasons for recommended option:

Discussions have taken place with South Tyneside Council who have confirmed that they would support North Tyneside Council as the Accountable Body. A Service Level

Agreement will be agreed with both Councils so that roles and responsibilities are clearly set out.

The Authority has experience of managing EU funded projects and meets the requirement set out in the *Community-led Local Development Strategies: Additional Guidance for Accountable Bodies May 2016*. Without an Accountable Body the criteria for CLLD is not met and the South Tyneside / North Tyneside application for 3 million Euros plus match funding will not be able to proceed.

As the Accountable Body the Authority will have responsibility for working with the LAG to deliver the CLLD strategy that aims to support residents and businesses in Riverside, Chirton, and parts of Preston and Tynemouth ward as well as areas of South Tyneside to develop skills, improve employment opportunities and increase economic and social inclusion.

It is recommended that Cabinet agree option one.

1.8 Appendices:

There are no appendices

1.9 Contact officers:

Felicity Shoemith, Community and Voluntary Sector Liaison Manager,
tel. (0191) 643 7071

Melissa Wells, Strategic Policy & Funding Adviser, tel. (0191) 643 6416

Bev Oakley, Community and Voluntary Sector Officer, tel. (0191) 643 7039

Alison Campbell, Senior 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
http://october.northtyneside.gov.uk:7778/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=566224
- (2) CLLD ERDF full application form, 27th November 2015
http://october.northtyneside.gov.uk:7778/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=566223
- (3) Cabinet report Community-led Local Development 14 March 2016
http://www.northtyneside.gov.uk/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=564666
- (4) 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
http://october.northtyneside.gov.uk:7778/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=566220

- (5) 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
http://october.northtyneside.gov.uk:7778/pls/portal/NTC_PSCM.PSCM_Web.download?p_ID=566219
- (6) Community Led Local Development Strategies: Additional Guidance for Accountable Bodies Version 1. May 2016. - [Existing Community-led Local Development Guidance published on GOV.UK](#)

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 of the CLLD project from ESF and ERDF.

Phase one will result in an application for the CLLD funding of around £2.1 million for parts of Riverside, Chirton, Preston and Tynemouth wards and some wards within South Tyneside, which will start from April 2017 and be available for 5 years. Funding for the Accountable Body will be identified within the phase two application with match funding coming from existing staffing budgets within Corporate Strategy as explained in section 1.5.6. Match funding for any projects or initiatives approved by the LAG and the Accountable Body will come from those community / voluntary sector organisations or businesses wishing to access the grant as set out in section 1.5 of this report and is not an additional cost to the Council. Projects would only progress if the match funding is identified and is available.

The funding for carrying out the functions associated with the role, in relation to the management and governance of the Accountable Body of the CLLD project will come from existing staffing budgets within Corporate Strategy.

2.2 Legal

The Authority will need to ensure compliance with the conditions imposed by EDF and ERDF in the respective funding agreements.

The Authority will need to enter into robust contractual arrangements with South Tyneside Council to ensure obligations are understood between the parties.

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 a number of events including at the working with sessions in March and June 2016. A wide range of engagement has taken place with community, voluntary sector and business networks in the CLLD area. This will be set out in detail in the Local Development Strategy.

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

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 have and will continue to 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. The EU referendum result means that the future of ESF / ERDF is currently subject to discussion at a National/European level but we have been advised by the Managing Authorities to proceed at this stage.

2.7 Crime and disorder

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

2.8 Environment and sustainability

The CLLD local development strategy takes into account the Authority's policies on environmental sustainability. The initial workshop November 2015 included information about environmental sustainability. Further work has taken place with LAG members to ensure the Local Development Strategy complies with the Authority's commitment on environmental sustainability. 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