

Community Led Local Development in South Durham

Local Development Strategy 2017-2022



European Union
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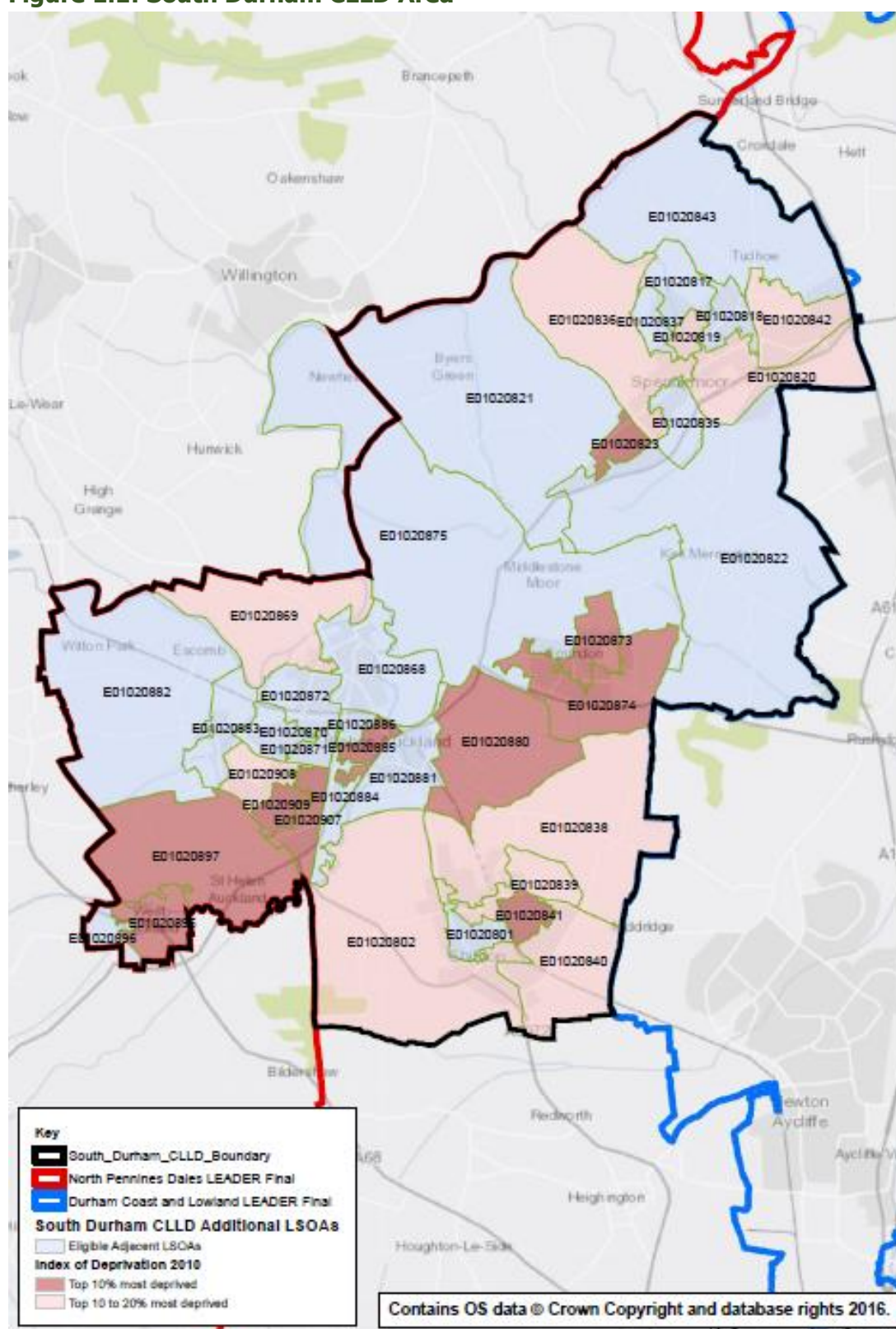
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1. The Area

Figure 1.1: South Durham CLLD Area



The proposed area for Community Led Local Development in South Durham is shown in **Figure 1.1**, above. The area covers 4,839 hectares and contains a population of around 62,550 people of which 53% live in lower layer super output areas (LSOAs) identified as being in the 20% most deprived areas in the country within the Indices of Multiple Deprivation (IMD) 2010.

In total there are 39 LSOAs in South Durham CLLD, 10 of which are within the top 10% most deprived (highlighted in dark pink in **Figure 1.1**, above) and 10 of which are within the 10-20% most deprived (highlighted in light pink). Those LSOAs in the 20% most deprived are clustered around:

- Spennymoor;
- Coundon and Leeholme;
- Bishop Auckland;
- St Helen Auckland;
- West Auckland; and
- Shildon

As a consequence the core settlements in the area are also the areas around which much of the need for support is focused, in terms of 20% most deprived areas in the country within the Indices of Multiple Deprivation (IMD) 2010.

The area has a strong mining and industrial heritage and encompasses the three core towns of Bishop Auckland, Spennymoor and Shildon, all of which are core service centres for social and economic activity. South Durham an urban core through these three towns and sits between two LEADER Local Action Group areas with the North Pennine Dales LEADER programme running from North to South down the western length and the Durham Coast and Lowlands LEADER programme running from North to South down the eastern length.

South Durham enjoys relatively good road linkages throughout, with the A688 running through from north east to south west and the A68 cutting through the south west. Both of these roads provide one of a number of direct access points to the A1(M) which runs directly to the east. South Durham also enjoys linkages to mainline rail services with Bishop Auckland and Shildon providing services to Darlington and onwards to Teesside.

The proposed CLLD area is comprised of a focussed geographic community across South Durham which directly links all of the LSOAs within the top 20% most deprived that are eligible for and the target of CLLD; with only these LSOAs or LSOAs directly adjacent to them included. This has ensured full coverage of the most deprived LSOAs across South Durham that are eligible for CLLD. Therefore deprivation and health, income and employment related deprivation in particular are a key feature. In addition, as well as helping to achieve full coverage of the areas of greatest need the addition of adjacent LSOAs helps to link these areas of need with areas of economic opportunity in these adjacent LSOAs.

The area builds on a history of shared industrial heritage and its towns and settlements have strong local identities and communities. South Durham also has a history of cross community collaboration through shared initiatives and projects funded and supported in partnership by the local authority led Area Action Partnerships (AAPs) that cover CLLD in South Durham, with the Bishop Auckland Shildon (BASH) and Spennymoor AAPs in particular having funded joint activities. The AAPs in the area present an important mechanism for community engagement and empowerment across County Durham. In addition the AAPs also share a number of key priorities and objectives with CLLD, particularly in terms of economic inclusion and business growth and they will work closely with the LAG to take forward CLLD in South Durham and work towards these shared objectives.

Manufacturing and engineering remain important employers in South Durham and adjacent areas, such as Newton Aycliffe, which has seen international investment from Hitachi Rail Europe and the creation of a University Technical College. In addition, Bishop Auckland has seen significant local investment over recent years through developments at Auckland Castle and the Eleven Arches Trust projects including Kynren. Collectively these activities are forecast to generate a £20m a year economic boost to Bishop Auckland and surrounding communities, through increases in tourism and other spill over activities.

This coherent geographical area was developed to focus specifically on localities of greatest need with developmental work undertaken through a dedicated CLLD workstream¹ under the County Durham European Union Investment Group, with further activity to refine and finalise the geography through the local Area Action Partnerships. Sitting in between two LEADER LAGs its presence ensures that community led economic inclusion and growth is embedded throughout wider South Durham.

Figure 1.2 provides a summary overview of the table setting out which lower super output areas (LSOAs) are included within CLLD in South Durham.

Area Action Partnerships (AAPs)

Durham County Council led AAPs provide a community involvement infrastructure which give local people and organisations a say in the delivery of local services and the allocation of some local resources.

Each AAP is comprised of an area forum and an area board which identify and tackle key issues within their local communities.

- Area Forum: Open to all these meet twice a year to consider and prioritise key issues;
- Area Board: Comprised of 21 elected members from County Council, town and parish councils, community and voluntary groups, residents, businesses, and other key public and private sector agencies. These meet six times a year to monitor progress, manage spending (see below) and work with local partners.

Each AAP has a budget of £100,000 in 2016/17 which the Board has devolved responsibility for allocating to local projects and investments. This budget may be increased from other sources.

¹ This involved Business Durham, local enterprise agencies, voluntary and community sector representatives and Durham County Council.

Figure 1.2: Key Area Information

LSOAs included within the South Durham CLLD (39 in total)	E01020801; E01020802; E01020817;E01020818; E01020819; E01020820;E01020821; E01020822; E01020823; E01020835; E01020836; E01020837;E01020838; E01020839; E01020840; E01020841; E01020842; E01020843;E01020868; E01020869; E01020870;E01020871; E01020872; E01020873;E01020874; E01020875; E01020880;E01020881; E01020882; E01020883; E01020884; E01020885; E01020886;E01020895; E01020896; E01020897;E01020907; E01020908; E01020909.			
LSOAs within the 20% most disadvantaged in Indices of Multiple Deprivation 2010 (20 in total)	E01020823; E01020841; E01020873; E01020874; E01020880; E01020885; E01020895; E01020897; E01020907; E01020909; E01020802; E01020819; E01020820; E01020836; E01020838; E01020839; E01020840; E01020842; E01020869; E01020908.			
LSOAs adjacent to 20% most disadvantaged (19 in total)	E01020868; E01020875; E01020881; E01020884; E01020801; E01020818; E01020835; E01020871; E01020882; E01020886; E01020896; E01020821; E01020872; E01020822; E01020843; E01020817; E01020837; E01020870; E01020883.			
LSOAs neither within 20% disadvantaged or adjacent to them	n/a			
Total population	c.62,550			
Population within 20% most disadvantaged	c.33,360			
Population by LSOA	LSOA	Population	LSOA	Population
	E01020801	1,484	E01020870	1,349
	E01020802	2,019	E01020871	1,455
	E01020817	1,266	E01020872	1,814
	E01020818	1,475	E01020873	1,410
	E01020819	1,080	E01020874	1,520
	E01020820	1,538	E01020875	1,296
	E01020821	1,969	E01020880	1,564
	E01020822	1,861	E01020881	1,311
	E01020823	1,694	E01020882	1,469
	E01020835	1,637	E01020883	1,656
	E01020836	2,264	E01020884	1,381
	E01020837	1,679	E01020885	1,194
	E01020838	1,754	E01020886	1,297
	E01020839	1,651	E01020895	1,475
	E01020840	1,568	E01020896	1,401
	E01020841	1,716	E01020897	2,643
	E01020842	2,116	E01020907	1,619
	E01020843	1,594	E01020908	1,395
	E01020868	1,790	E01020909	1,719
	E01020869	1,425	Total	62,548

Sources: IMD 2010; ONS Population Estimates 2013.

Figure 1.3: Population by LSOA



2. Needs and Potential

2.1 Population

The South Durham CLLD area has a total population of around 62,500 people, of which around 33,400 (53%) live in the 20% most disadvantaged lower super output areas across the country in the IMD 2010 (see Figure 2.1 below).

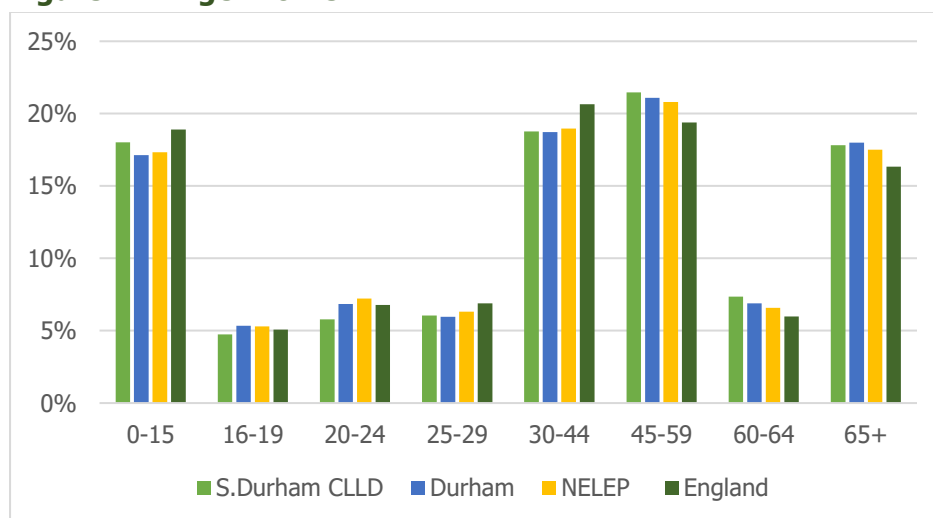
Figure 2.1: Population by IMD 2010 Decile

IMD 2010 Decile	No. of Residents	% of CLLD Area residents
10% most disadvantaged	16,554	26%
10-20%	16,810	27%
20-30%	5,778	9%
30-40%	10,218	16%
40-50%	3,783	6%
50-60%	3,455	6%
60-70%	1,266	2%
70-80%	4,684	7%
Total	62,548	100%

Source: ONS Population Estimates, 2013; IMD 2010.

The South Durham CLLD area has an older age population than that found across England with residents aged 45 years and over accounting for 47% of the CLLD area population compared to 42% nationally. Approximately 40,100 (64%) of residents are aged between 16 and 64, with around 10,400 residents aged 16-29 and approximately 29,800 are aged 30-64².

Figure 2.2: Age Profile



Source: Census 2011

South Durham has a largely homogenous population in terms of ethnic group with 97.5% of residents classifying their ethnic group as white English/Scottish/Welsh/Northern Irish/British, compared to 93.8% in the NELEP area and 79.8% across England.

² Figures do not sum due to rounding.

Figure 2.3: Ethnicity Profile

Ethnic Group	S.Durham CLLD	Durham	NELEP	England
White	98.7%	98.2%	95.5%	85.4%
White: English/Welsh/Scottish/Northern Irish/British	97.5%	96.6%	93.8%	79.8%
White: Irish	0.2%	0.2%	0.3%	1.0%
White: Gypsy or Irish Traveller	0.2%	0.1%	0.1%	0.1%
White: Other White	0.9%	1.2%	1.4%	4.6%
Mixed/multiple ethnic groups	0.5%	0.6%	0.8%	2.3%
Mixed/multiple ethnic groups: White and Black Caribbean	0.2%	0.2%	0.2%	0.8%
Mixed/multiple ethnic groups: White and Black African	0.1%	0.1%	0.1%	0.3%
Mixed/multiple ethnic groups: White and Asian	0.2%	0.2%	0.3%	0.6%
Mixed/multiple ethnic groups: Other Mixed	0.1%	0.1%	0.2%	0.5%
Asian/Asian British	0.6%	0.9%	2.7%	7.8%
Asian/Asian British: Indian	0.2%	0.3%	0.6%	2.6%
Asian/Asian British: Pakistani	0.1%	0.1%	0.5%	2.1%
Asian/Asian British: Bangladeshi	0.0%	0.0%	0.5%	0.8%
Asian/Asian British: Chinese	0.1%	0.3%	0.6%	0.7%
Asian/Asian British: Other Asian	0.1%	0.2%	0.5%	1.5%
Black/African/Caribbean/Black British	0.1%	0.1%	0.5%	3.5%
Black/African/Caribbean/Black British: African	0.1%	0.1%	0.4%	1.8%
Black/African/Caribbean/Black British: Caribbean	0.0%	0.0%	0.0%	1.1%
Black/African/Caribbean/Black British: Other Black	0.0%	0.0%	0.0%	0.5%
Other ethnic group	0.1%	0.2%	0.4%	1.0%
Other ethnic group: Arab	0.0%	0.1%	0.2%	0.4%
Total	100.0%	100.0%	100.0%	100.0%

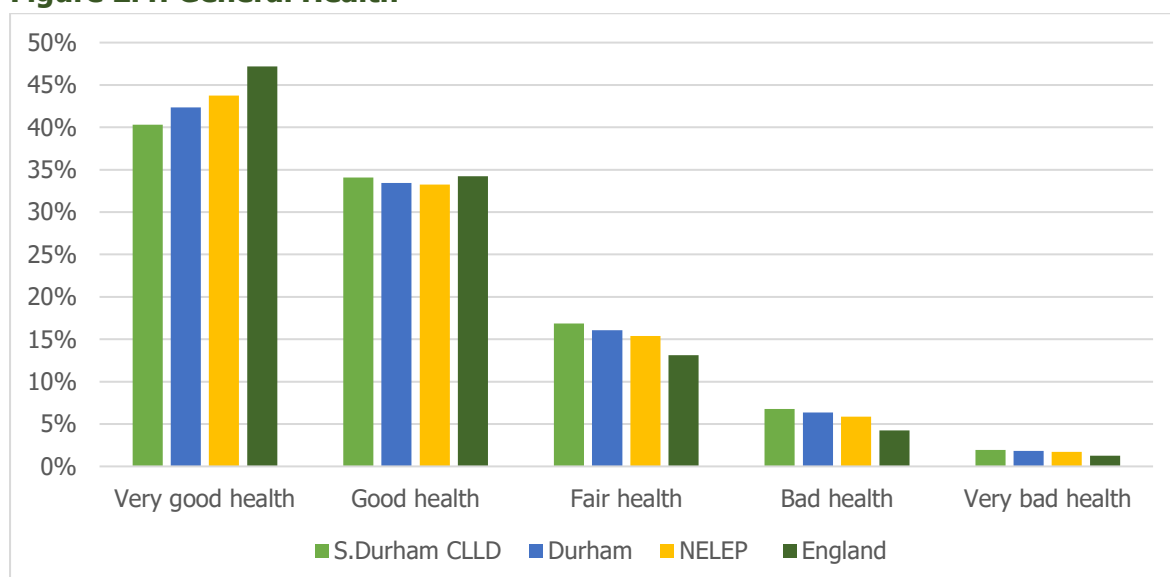
Source: Census 2011

Population estimates suggest that there are only around 1,590 CLLD residents from ethnic groups other than white English/Welsh/Scottish/Northern Irish/British, of which around 790 are other white ethnic groups³ and 800 are from black and minority ethnic groups⁴ (BME). The low number of residents from BME groups in the South Durham CLLD area, therefore has implications for the CLLD project's ability to achieve standard equalities targets for such groups.

Health is a significant issue in the area. While almost three quarters of the population (74%) of South Durham CLLD area have very good or good health, residents are generally less healthy than those of Durham as a whole and the NELEP area and England averages with 8.7% of CLLD area residents in either bad or very bad health compared to 8.2%, 7.6% and 5.5%, respectively.

³ Including white Irish, white Gypsy or Irish Traveller and other white.

⁴ Including Mixed/multiple ethnic groups, Asian/Asian British, black/African/Caribbean/ Black British and other ethnic groups.

Figure 2.4: General Health

Source: Census 2011

This trend is further emphasised in data showing long term health problems or disabilities which shows that higher proportions of the total and 16-64 year old populations in the CLLD area have limiting conditions (25% and 20% respectively) than across England (18% and 13% respectively). Estimates suggest that almost 7,800 16-64 year olds in South Durham have a long term health problem or disability which limits their day-to-day activities a little or a lot.

Figure 2.5: Long Term Health Problems or Disabilities

Population	Long term health problem or disability	S.Durham CLLD	% Difference to England average	Population estimate
All residents	Day-to-day activities limited a lot	13%	↑ 5%	8,273
	Day-to-day activities limited a little	12%	↑ 2%	7,360
	Day-to-day activities not limited	75%	↓ -7%	46,915
	Total	100%	-	62,548
16-64 year olds	Day-to-day activities limited a lot	10%	↑ 4%	3,932
	Day-to-day activities limited a little	10%	↑ 2%	3,854
	Day-to-day activities not limited	81%	↓ -7%	32,355
	Total	100%	-	40,142

Source: ONS Population Estimates, 2013; Census 2011.

2.2 Economic Activity

2.2.1 Economic Activity Rates

Key findings from analysis of economic activity data, include:

- Economically active, employment and self-employment rates for residents are broadly similar to those across Durham (maximum +/-1% deviation) and the North East (maximum +/-1% deviation), but lower than England as a whole (-4% to -5% deviation);
- Unemployment, economic inactivity, retirement and long-term sick or disabled rates are higher than national averages (higher by 1%, 5%, 4% and 3% respectively).

Figure 2.6: Economic Activity Rates (Residents)

Economic Activity	South Durham CLLD	Durham	NELEP	England
Economically active	65%	64%	66%	70%
Economically active: In employment	58%	57%	58%	62%
Economically active: Employee: Part-time	14%	13%	14%	14%
Economically active: Employee: Full-time	37%	37%	37%	39%
Economically active: Self-employed	6%	7%	7%	10%
Economically active: Unemployed	5%	4%	5%	4%
Economically active: Full-time student	2%	3%	3%	3%
Economically Inactive	35%	36%	34%	30%
Economically inactive: Retired	17%	17%	16%	14%
Economically inactive: Student (including full-time students)	4%	6%	6%	6%
Economically inactive: Looking after home or family	4%	4%	4%	4%
Economically inactive: Long-term sick or disabled	8%	6%	6%	4%
Economically inactive: Other	2%	2%	2%	2%
Total	100%	100%	100%	100%

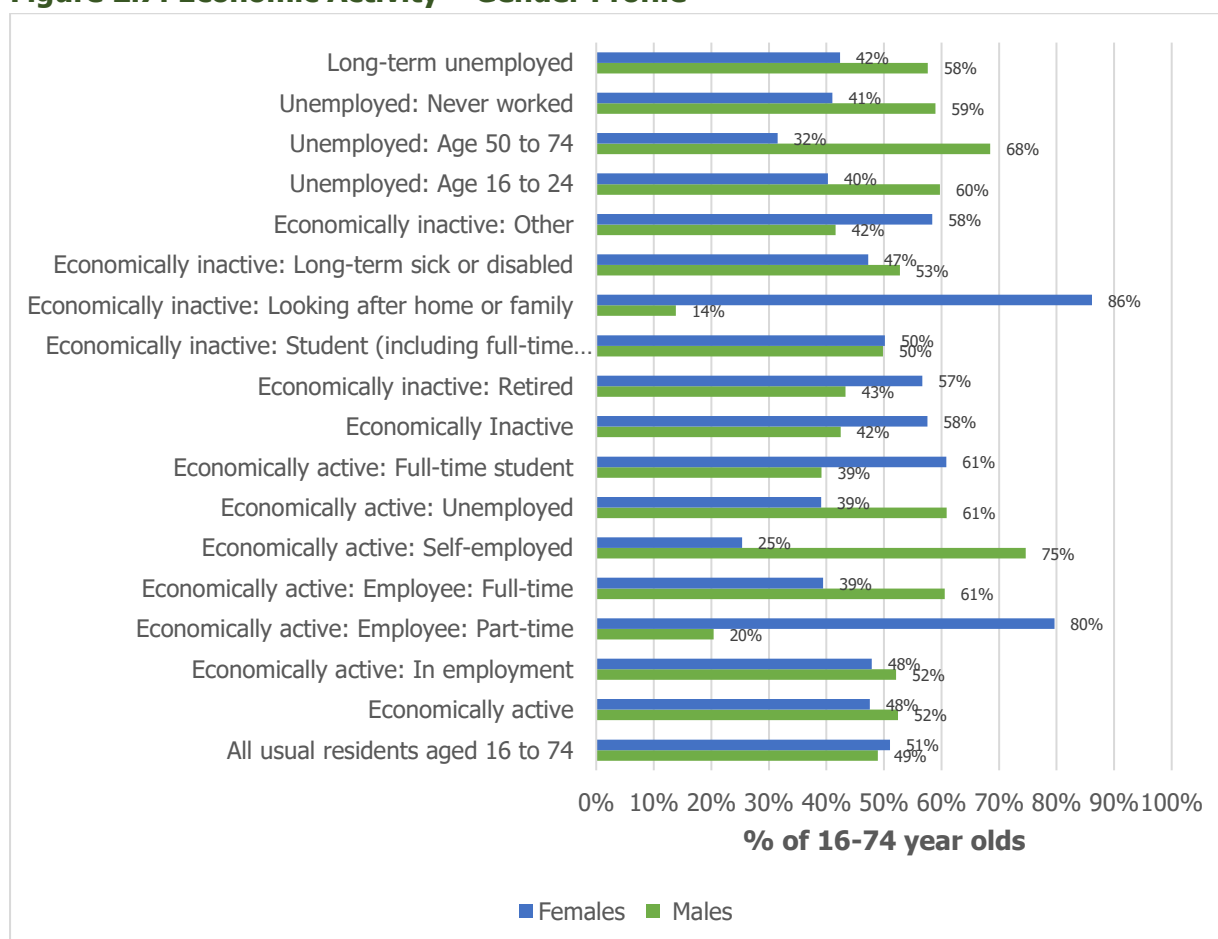
Source: Census 2011

Figure 2.7 below, shows the degree to which males and females account for different proportions of each economic activity group with the latter accounting for higher proportions of:

- Part-time employees;
- Full-time students;
- Economically inactive;
- Economically inactive due to caring responsibilities; and
- Economically inactive for other reasons.

The gender gap for self-employment is of particular interest to the South Durham LAG, with females accounting for only 25% of the area's self-employed.

Figure 2.7: Economic Activity – Gender Profile



Source: Census 2011

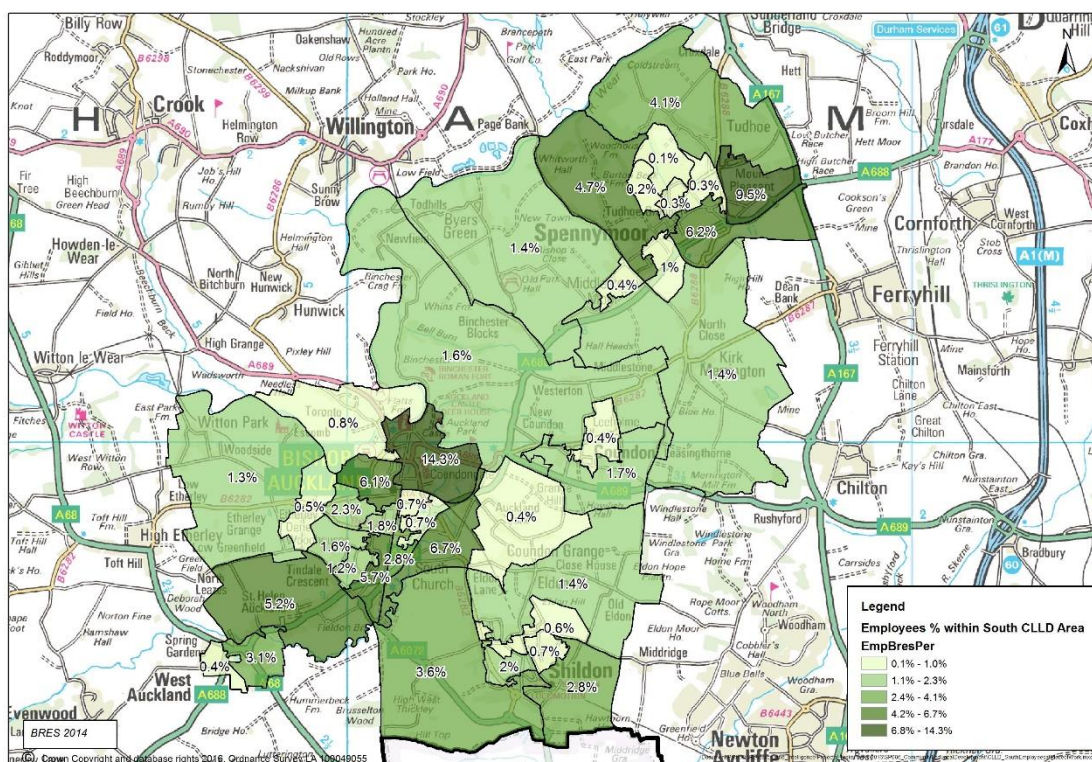
2.2.2 Employment

Estimates suggest that around 26,600 residents are in employment (either as an employee or self-employed), with workplace population⁵ data suggesting there are around 24,300 jobs in the South Durham CLLD area. Analysis of the workplace population shows that part-time employment is more commonplace in the CLLD area than across County Durham, the North East and England (28% of employees in the area compared with 23%, 23% and 21% respectively).

Figure 2.8 over, shows workplace based employment by LSOA. This highlights the concentration of jobs around the core towns of Spennymoor in the north and Bishop Auckland in the South.

⁵ The workplace population is an estimate of the population working in an area. It includes usual residents aged 16 to 74 whose usual place of work is in the area. This population is equivalent to the workplace population used in the 2001 Census. People who work mainly at or from home or do not have a fixed place of work are included in their area of their usual residence. The following population groups are excluded from the workplace population of an area: those living in England and Wales but working in Scotland, Northern Ireland, outside the UK or on offshore installations, those with a place of work in England and Wales but who are not usually resident in England and Wales, and short-term residents.

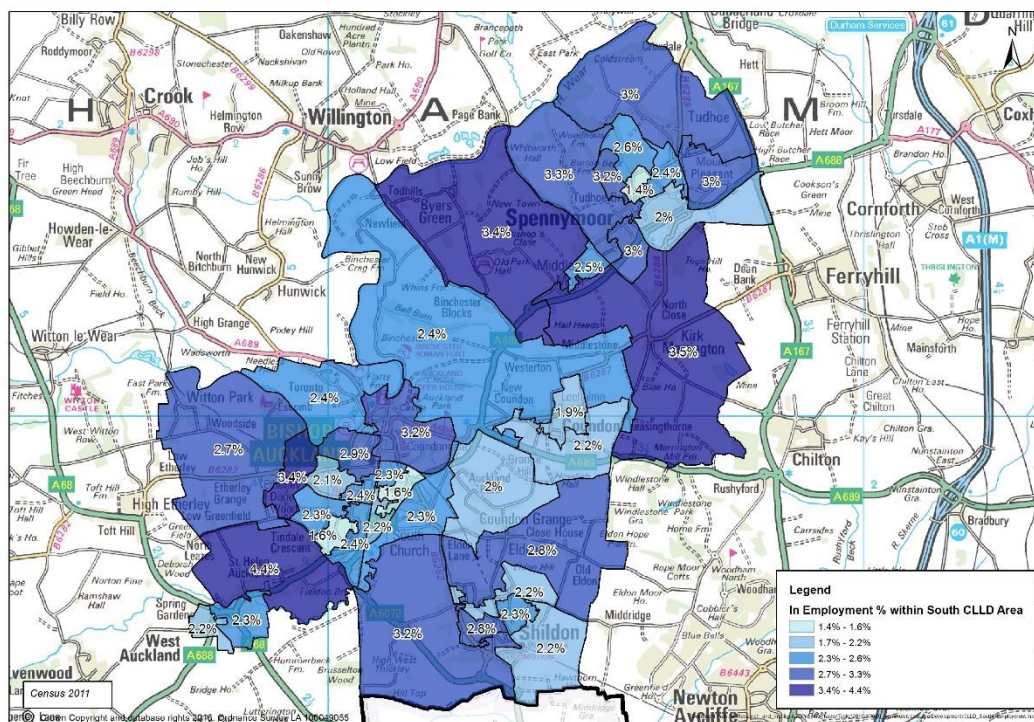
Figure 2.8: Workplace Employment by LSOA



Source: Census 2011

Comparing workplace based employment by resident based employment (**Figure 2.9**) shows some considerable differences in the distribution of jobs and residents in work. For example, the LSOA which accounts for the highest proportion of jobs with 14.3% of jobs in the CLLD area, only accounts for 3.2% of South Durham CLLD residents that are in employment. In addition the LSOA which accounts for the second highest proportion of jobs (9.5%), only accounts for 3% of resident employment. This illustrates the degree to which core employment areas in South Durham currently experience in-commuting to fill employment opportunities.

Figure 2.9: Resident based Employment by LSOA



Source: Census 2011

Workplace population data also further highlights the relatively low levels of self-employment in the area, when compared with national averages. In total approximately 2,850 residents are self-employed of which 75% are male (see **Figure 2.10**, below), while 77% are aged between 30 and 59 (see **Figure 2.11**, below). While the enterprise gap between South Durham and the national average is significant the gender enterprise gap within South Durham itself is also particularly significant, as highlighted above.

Figure 2.10: Self-employment by Gender

Indicator	Male	Female	All
Self-employment rate	9.4%	3.1%	6.2%
% of self-employed	74.6%	25.4%	100%

Figure 2.11: Self-employment by Age

Age band	Self-employment rate (% of age band that are self-employed)	% of total self-employed
16-19	1%	1%
20-24	2%	2%
25-29	5%	8%
30-44	8%	35%
45-59	9%	42%
60-64	5%	8%
65+	1%	5%
Total	5%	100%

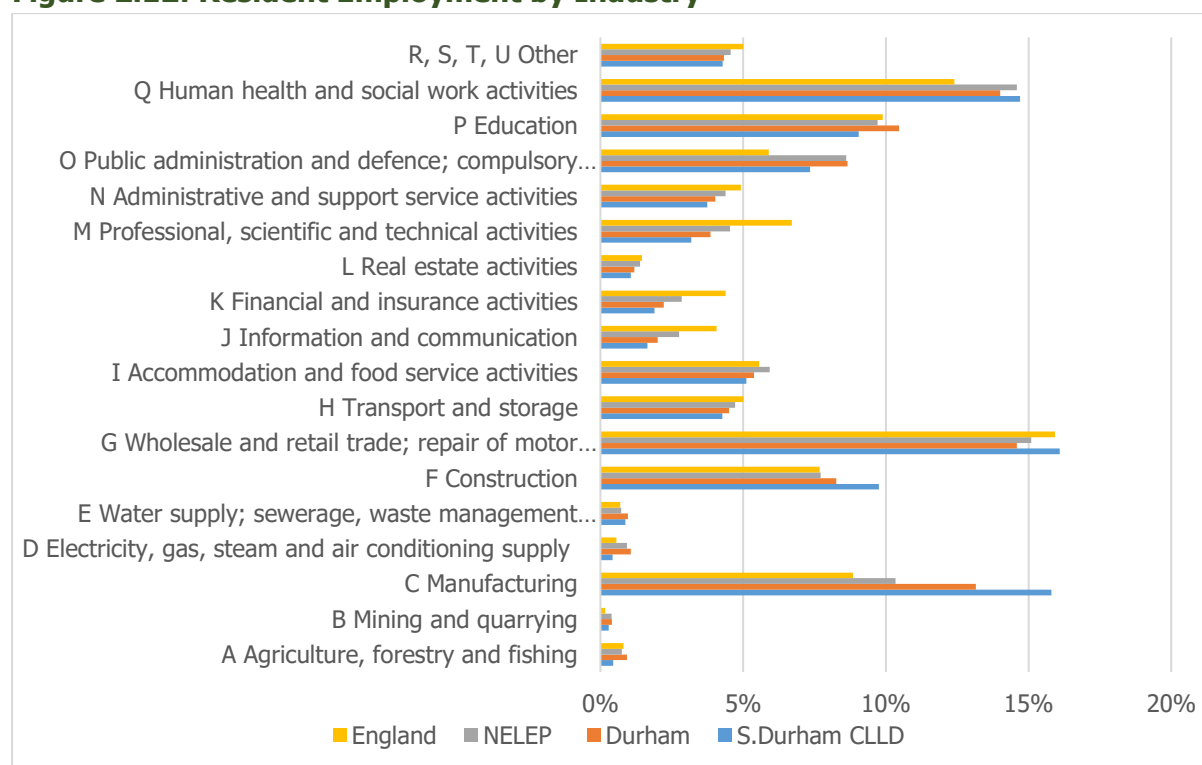
Manufacturing is a key sector in the local economy accounting for 16% of employment of CLLD area residents and 13% of jobs based in the area⁶, compared to national averages of

⁶ Based on the workplace population within the Census 2011.

9% and 9% respectively. Manufacturing therefore accounts for a significant proportion of employment opportunities both directly within the CLLD area and within key employment sites that residents commute to such as Aycliffe Industrial Estate/Business Park. However, analysis by gender reveals a significant difference with 24% of working male residents employed in this sector, compared to only 8% of females. Analysis of the workplace population by sub-sector highlights the importance of high-tech manufacturing in the local area (37% of workplace based employment in manufacturing⁷).

Wholesale and retail trade (16% of employed residents), health & social care (15%) and construction (10%) are all important industries for employment, with all of them accounting for a higher proportion of employment in the CLLD area than across County Durham as a whole. Collectively the public sector accounts for a substantial proportion of resident employment with 31% of South Durham CLLD area residents working in public administration & defence, education and health & social care.

Figure 2.12: Resident Employment by Industry



Source: Census 2011

Analysis by gender shows that levels of employment differ between males and females (52% and 48% of employed residents respectively), with the distribution almost the opposite of that for the working age population as a whole (49% and 51% respectively). However, the gender distribution of employment by industry illustrates the degree to which a number of sectors are dominated by one gender or another (see **Figure 2.13**, over), something which reflects the national picture.

⁷ It should be noted that this data is based on MSOAs within which the CLLD area is based rather than the CLLD area alone.

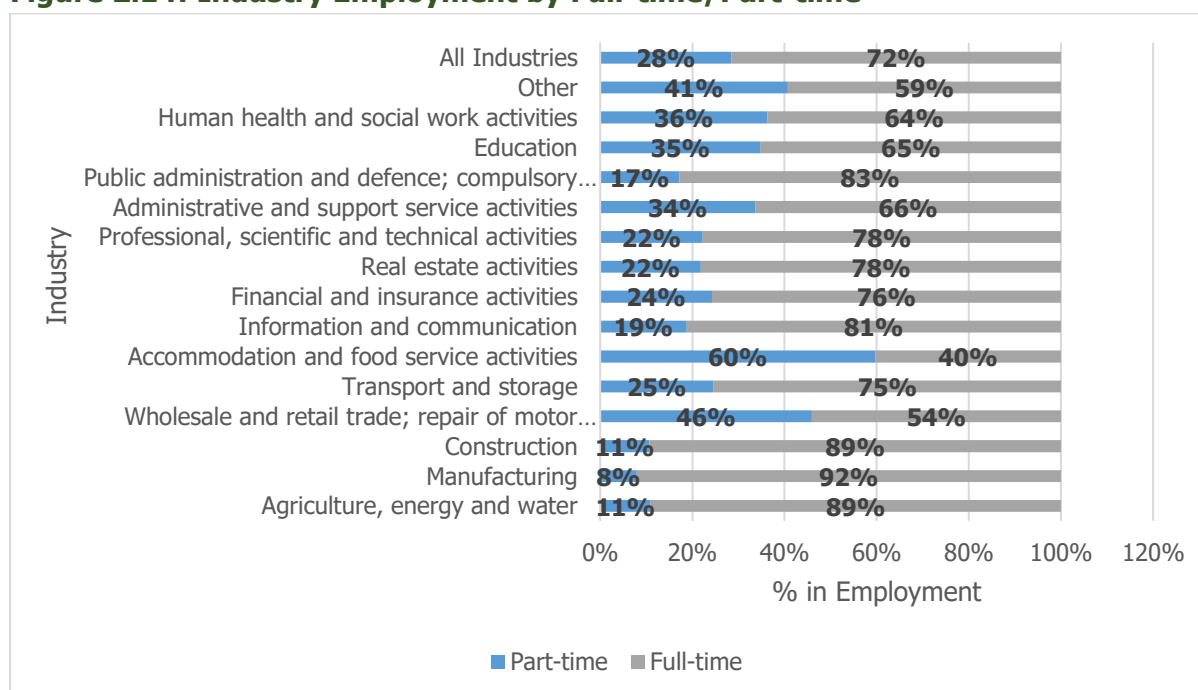
Figure 2.13: Gender Breakdown of Resident Employment by Industry (S.Durham)

Industry	Males	Females
A Agriculture, forestry and fishing	79%	21%
B Mining and quarrying	90%	10%
C Manufacturing	77%	23%
D Electricity, gas, steam and air conditioning supply	77%	23%
E Water supply; sewerage, waste management and remediation activities	83%	17%
F Construction	91%	9%
G Wholesale and retail trade; repair of motor vehicles and motor cycles	46%	54%
H Transport and storage	81%	19%
I Accommodation and food service activities	34%	66%
J Information and communication	62%	38%
K Financial and insurance activities	38%	62%
L Real estate activities	42%	58%
M Professional, scientific and technical activities	52%	48%
N Administrative and support service activities	55%	45%
O Public administration and defence; compulsory social security	49%	51%
P Education	27%	73%
Q Human health and social work activities	20%	80%
R, S, T, U Other	40%	60%
Total	52%	48%

Source: Census 2011

Figure 2.14 below provides a breakdown of industry employment by working hours, highlighting industries in which part-time employment is more common, such as accommodation and food service (60% of those in work in the industry).

Figure 2.14: Industry Employment by Full-time/Part-time⁸



Source: Census 2011

⁸ This data is based on MSOAs rather than LSOAs.

Skilled trades and elementary occupations account for the largest proportion of resident employment (14% each), reflecting the higher than average levels of employment in manufacturing and construction industries. By contrast **Figure 2.15** below shows that the area has lower levels of resident employment in higher level occupations, such as managerial, professional and associate professional occupations.

Figure 2.15: Resident Employment by Occupation

Occupation	S.Durham CLLD	Durham	NELEP	England
Managers, directors and senior officials	8%	9%	9%	11%
Professional occupations	11%	14%	15%	17%
Associate professional and technical occupations	10%	11%	11%	13%
Administrative and secretarial occupations	11%	11%	12%	11%
Skilled trades occupations	14%	13%	12%	11%
Caring, leisure and other service occupations	11%	10%	10%	9%
Sales and customer service occupations	10%	9%	10%	8%
Process plant and machine operatives	11%	10%	9%	7%
Elementary occupations	14%	12%	12%	11%
Total	100%	100%	100%	100%

Source: Census 2011

Analysis of the workplace population of the CLLD area by occupation broadly reflects that of the resident population, although proportions of employment in professional occupations are 2% higher among the workplace population while those for caring, leisure and other service occupations are 2% higher.

Figure 2.16 below provides a gender based breakdown of resident employment by occupation, highlighting where gender imbalance by occupational type.

Figure 2.16: Gender Breakdown of Resident Employment by Occupation

Occupation	Male	Female
Managers, directors and senior officials	63%	37%
Professional occupations	45%	55%
Associate professional and technical occupations	58%	42%
Administrative and secretarial occupations	19%	81%
Skilled trades occupations	91%	9%
Caring, leisure and other service occupations	19%	81%
Sales and customer service occupations	26%	74%
Process plant and machine operatives	83%	17%
Elementary occupations	53%	47%
All Occupations	52%	48%

Source: Census 2011

2.2.3 Skills and Qualifications

The skills and qualifications profile of the area population shows that the area reflects national averages at the lower to mid-range of qualifications (Levels 1 to 3). However, a lack of qualifications among the resident population aged 16 and over is a key issue in the CLLD area with almost a third of residents (32%) having no qualification compared to over a fifth (22%) across England. The difference is similarly stark for higher level qualifications at Level 4 and

above with 17% of South Durham CLLD area residents possessing a qualification at this level compared to 27% across England. The area also differs significantly with North East averages for no qualifications and higher level qualifications.

Figure 2.17: Highest Qualification

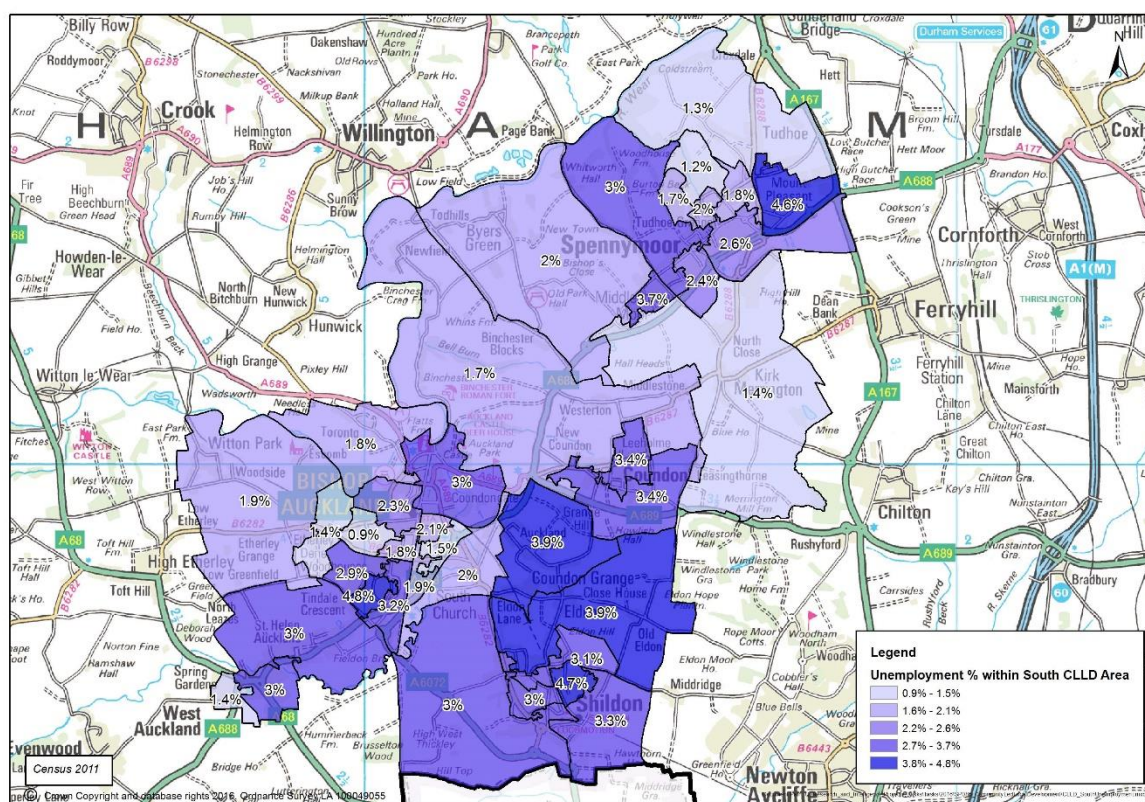
Highest Qualification	S.Durham CLLD	Durham	NELEP	England
No qualifications	32%	28%	26%	22%
Other qualifications	4%	4%	4%	6%
Level 1 qualifications	14%	13%	14%	13%
Level 2 qualifications	16%	16%	16%	15%
Apprenticeship	5%	4%	5%	4%
Level 3 qualifications	12%	14%	13%	12%
Level 4 qualifications and above	17%	21%	23%	27%
Total	100%	100%	100%	100%

Source: Census 2011

2.2.4 Unemployment and Economic Inactivity

Figure 2.6 above showed that unemployment rates in South Durham are higher than County and national averages with around 1 in 20, 16-74 year olds residents registered as unemployed in the 2011 Census. A breakdown of unemployment by LSOA is provided in **Figure 2.18**, below.

Figure 2.18: Unemployment by LSOA



Source: Census 2011

Modelling 2011 Census and ONS population data suggests that there are approximately 2,450 unemployed⁹ residents in the South Durham area, of which 61% are male. However, this masks the true level of residents not in work, with approximately 16,240 economically inactive residents¹⁰, of which 58% are female and 9,800 are retirees or non-working students (60% of the economically inactive). Given that ESF is targeted at the unemployed and economically inactive this suggests a **total of approximately 8,890 potential beneficiaries for ESF supported activity in the CLLD area**, of which 55% are female.

Those who are economically inactive and long-term sick or disabled form a significant proportion of this group (39%) with around 3,437 residents within this group (see **Figure 2.19**, below).

Figure 2.19: Unemployment and Economic Inactivity Estimates by Gender

Economic Activity	Gender	Estimate	%
Unemployed	Females	959	39%
	Males	1,495	61%
	Total	2,453	100%
Inactive	Females	9,341	58%
	Males	6,896	42%
	Total	16,238	100%
Inactive (minus retirees and students)	Females	3,904	61%
	Males	2,529	39%
	Total	6,433	100%
Inactive: Long-term sick or disabled	Females	1,624	47%
	Males	1,813	53%
	Total	3,437	53%
Total Unemployed and Inactive (minus retirees and students)	Females	4,863	55%
	Males	4,024	45%
	Total	8,886	100%

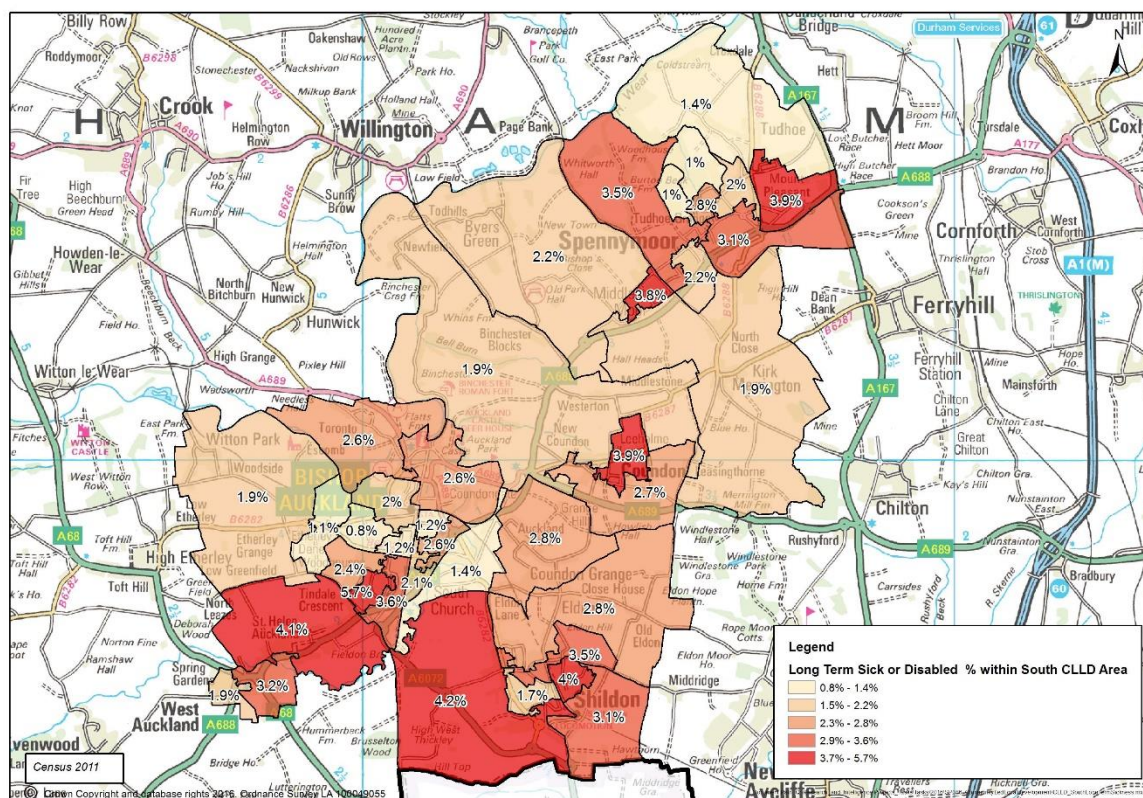
Source: ONS Population Estimates, 2013; Census 2011.

Figure 2.20, over, provides an overview of long-term sick or disabled residents by LSOA, showing a concentration of these groups to the south of the area.

⁹ Based on the ILO definition of unemployment used in the Census which is anybody who is not in employment by the above definition, has actively sought work in the last 4 weeks and is available to start work in the next 2 weeks, or has found a job and is waiting to start in the next 2 weeks, is considered to be unemployed.

¹⁰ These are people that are not in employment who have not been seeking work within the last 4 weeks and/or unable to start work within the next 2 weeks. Reasons for this can include caring responsibilities, disability or long-term illness, retirement and other reasons.

Figure 2.20: Long-term Sick or Disabled Residents by LSOA



Source: Census 2011

Further analysis of unemployment data shows that 40% or around 990 residents have been unemployed for two years or more and 19% or around 460 have never worked (see **Figure 2.21**, below). This highlights the challenges in supporting many of the unemployed residents of South Durham towards or into employment. It should be noted that this does not include the economically inactive, many of whom experience multiple complex barriers to labour market participation and 75% of whom are aged between 30 and 64, a figure which rises to 85% for the economically inactive with a long-term illnesses or disability. Supporting these groups is a key priority for CLLD in South Durham.

Figure 2.21: Unemployment by Age and Status

	S.Durham CLLD	
	Estimate	%
Unemployed: Age 16 to 24	783	32%
Unemployed: Age 25 to 49	1,239	51%
Unemployed: Age 50 to 74	431	18%
Unemployed: Never worked	456	19%
Long-term unemployed (2 years or more)	989	40%

Source: ONS Population Estimates, 2013; Census 2011.

Data also highlights the potential for family based approaches to supporting people into work with Census 2011 data suggesting that 16% of families with dependent children have no parent working (this includes couples where neither parent is in work and single parents that are not working) compared to 12% nationally.

Another way of measuring unemployment in the South Durham area is through the Claimant count. This shows the number of people who are receiving benefits principally for the reason of being unemployed, which is those who claim Job Seeker's Allowance and those who claim Universal Credit but are out of work. Data from the Department for Work and Pensions shows a claimant count of 1,135 residents in South Durham in April 2016. **Figure 2.22** below provides an overview of the claimant count by age and gender. While this shows that 24% of claimants are aged 18-24 it should be noted that current provision under the Youth Employment Initiative, DurhamWorks will provide targeted interventions to support this age group until 2018. However, given that this LDS is focused over a 5 year period this points to the potential need for some provision focussed on younger people beyond 2018.

Figure 2.22: Claimant Count by Age and Gender

Indicator	No. of residents
Claimant count	1,135
18-24	275
25-34	270
35-49	310
50+	275
Male	740
Female	395

Source: DWP Claimant Count, April 2016.

Figure 2.19 above highlighted the significance of the economically inactive population that are long term sick or disabled. Recent welfare reforms (including the transition from Incapacity Benefit (IB) to Employment and Support Allowance (ESA)) have seen a shift in circumstances with this group having enhanced the need for supporting this group towards labour market participation, with ongoing reforms related to Universal Credit and other factors further increasing the demand for support. In particular the work related activity group among those claiming ESA have been identified through primary and secondary research as a key target for any such support. Those within this group have been identified as having a disability or health condition that limits their ability to work, but that things can be done to improve their chances of working in the future. However, it is widely acknowledged that many of those in the group fail to get the level of support they require to advance into and within the labour market. Across County Durham around 19% of ESA claimants are classified within the work related activity group.

Analysis of the ESA work related activity group across Durham reveals that:

- 65% are aged 45 years and above with only 5% aged 18 to 24;
- 46% receive ESA due to a mental health and/or behavioural disorders while 21% receive it due to diseases of the musculoskeletal system and connective tissue;
- Mental health and/or behavioural disorders are more common among younger ESA claimants in the work related activity group with 58% of 25 to 34 year olds, 56% of 35 to 44 year olds and 50% of 45 to 49 year olds receiving the benefit for such conditions.

As part of the LAG and LDS development process a survey was undertaken with representatives from across public, private, VCS organisations and communities across South Durham.

In total there were 130 responses to the survey from individuals and/or organisations.

Figure 2.23 over, shows how these respondents ranked barriers to employment for South Durham residents. This shows that respondents identified the lack of local employment opportunities as the most significant barrier with an average score of 3.20 (with 1 being the lowest



possible score) and almost 4 out of 10 selecting it as the most significant barrier to be addressed. This highlights the importance of locally integrating ERDF interventions that seek to create employment opportunities alongside ESF interventions that seek to support those furthest from the labour market to move into or towards employment, education and training.

Indeed while evidence shows that local employment opportunities exist both within the CLLD area and in close proximity to it, the perception of a lack of local opportunities is an important barrier for CLLD to address, particularly when seeking to move people towards or into employment. Community and support agency consultation revealed the presence of a cultural or psychological barrier among some of those that are furthest from the labour market, in terms of the willingness to travel to access employment opportunities. **Section 2.3** shows that much of the local population can access significant employment centres within reasonable commuting times by public transport and/or walking. However, some potential CLLD beneficiaries in South Durham will not see these travel times as reasonable or deem employment opportunities that require some travel time as accessible. Addressing this perception and changing culture and behaviour is therefore almost, if not equally, as important for CLLD as stimulating the creation of employment opportunities. This in turn has implications for how support is delivered as well as the kind of support interventions that are funded by CLLD.

The survey also illustrates the need for geographic targeting of support at communities with the greatest levels of need with 'pockets of deprivation among specific communities' highlighted as the second most significant barrier. Embedding such targeted delivery within the communities themselves is key to the proposed CLLD approach outlined within this LDS.

Figure 2.23: Prioritisation of Barriers to Labour Market Participation

	Priority Ranking	Average Score*	% selecting as most significant barrier	% selecting as second most significant	% selecting as third most significant
Lack of local employment opportunities	1	3.20	38%	15%	12%
Pockets of deprivation among specific communities	2	4.33	17%	19%	8%
Lack of local capacity to address key issues	3	4.60	13%	8%	16%
Lack of local training and development opportunities	4	4.62	13%	23%	8%
Low local skills base	5	5.08	4%	12%	8%
Lack of support to address health and wellbeing (including mental health)	6	5.28	8%	8%	12%
Insufficient or lack of awareness of local information, advice and guidance	7	5.39	4%	8%	12%
Difficulties accessing employment in other areas	8	5.67	0%	8%	12%
Lack of support to address debt and money management	9	6.38	4%	0%	12%
Total	-	-	100%	100%	100%

* The lower the score the higher the priority.

2.2.5 Business Base

It is estimated that there are around 2,285 local units¹¹ or workplaces in the South Durham CLLD area¹² of which 80% are micro sized with 0-9 employees and a further 17% are small with 10 to 40 employees. Analysis by local enterprise¹³ shows that micro-enterprises dominate accounting for 86% of total enterprises in the area (see **Figure 2.24**).

Figure 2.24: Business Base

	Workplaces		Enterprises	
	No.	%	No.	%
Micro (0 to 9)	1,820	80%	1,495	86%
Small (10 to 49)	395	17%	215	12%
Medium-sized (50 to 249)	65	3%	30	2%
Large (250+)	5	0%	0	0%
Total	2,285	100%	1,740	100%

Source: UK Business Counts, 2015.

Figure 2.25 shows that retail, wholesale and the motor trade industries account for the largest proportion of workplaces, enterprises and workplace employment in the South Durham CLLD area. It also illustrates industries that are characterised by large workplaces or enterprises. For example, while education and health account for 10% and 16% of workplace employment, they only account for 3.5% and 6.8% of workplaces, respectively. In contrast,

¹¹ Local units are an individual site, such as a factory or shop, associated with an enterprise. Therefore it can also be described as a workplace.

¹² It should be noted that these figures will represent an overestimate as they are based on mid-layer Super Output Areas rather than LSOAs, as this is the lowest geography at which this data is available.

¹³ An enterprise can be thought of as an overall business, made up of all the individual sites or workplaces of a particular business in that area. It is comprised of the smallest combination of legal units which has a certain degree of autonomy within an Enterprise Group.

industries such as construction, accommodation and food services, and professional, scientific and support services account for a larger proportion of workplaces compared to workplace employment, highlighting the prevalence of micro and small businesses in these sectors.

Figure 2.25: Business Base and Workplace Employment by Industry

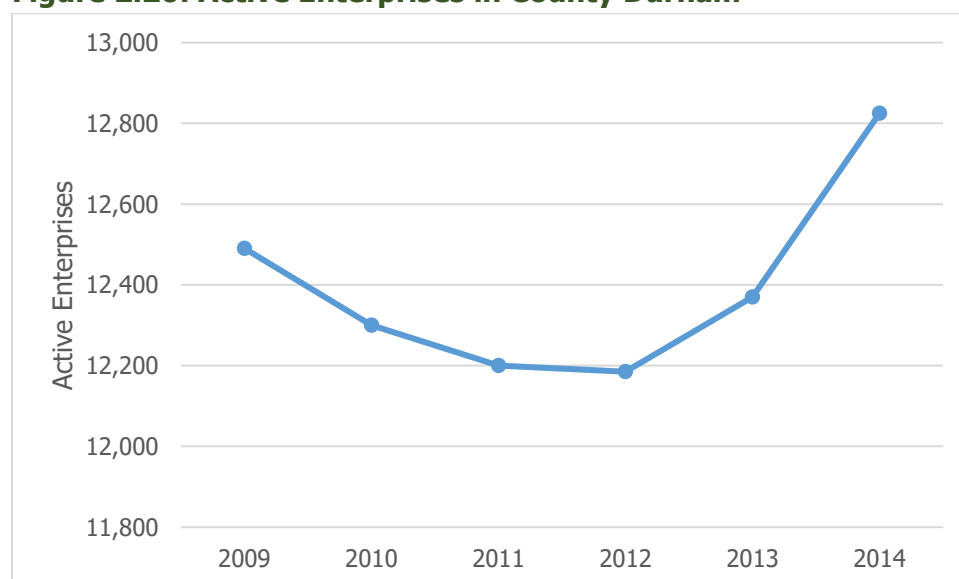
Industry	% of Workplaces	% of Enterprises	% of workplace employment
Agriculture, forestry & fishing (A)	3.5%	4.6%	0.5%
Mining, quarrying & utilities (B,D and E)	0.9%	0.9%	1.2%
Manufacturing (C)	7.9%	9.5%	13.4%
Construction (F)	12.0%	15.2%	9.4%
Wholesale and retail trade; Motor trades (G)	21.0%	18.9%	19.3%
Transport & storage (inc postal) (H)	5.5%	6.0%	3.5%
Accommodation & food services (I)	7.2%	8.3%	5.2%
Information & communication (J)	2.4%	2.9%	1.1%
Financial & insurance (K)	2.0%	1.4%	1.7%
Property (L)	2.4%	2.3%	1.8%
Professional, scientific & technical (M)	9.0%	11.2%	3.2%
Business administration & support services (N)	6.1%	6.3%	3.4%
Public administration & defence (O)	2.2%	0.3%	5.4%
Education (P)	3.5%	1.7%	10.0%
Health (Q)	6.8%	2.9%	16.2%
Arts, entertainment, recreation & other services (R,S,T and U)	7.9%	7.7%	4.8%
Total	100%	100%	100%

Source: UK Business Counts, 2015.

A number of key private sector employers across the area can be found in the automotive, chemical, energy and other manufacturing sectors, all of which create opportunities in their supply chains.

Recent years have seen an increase in active enterprises across County Durham following a decline between 2009 and 2012 (see **Figure 2.26**, below).

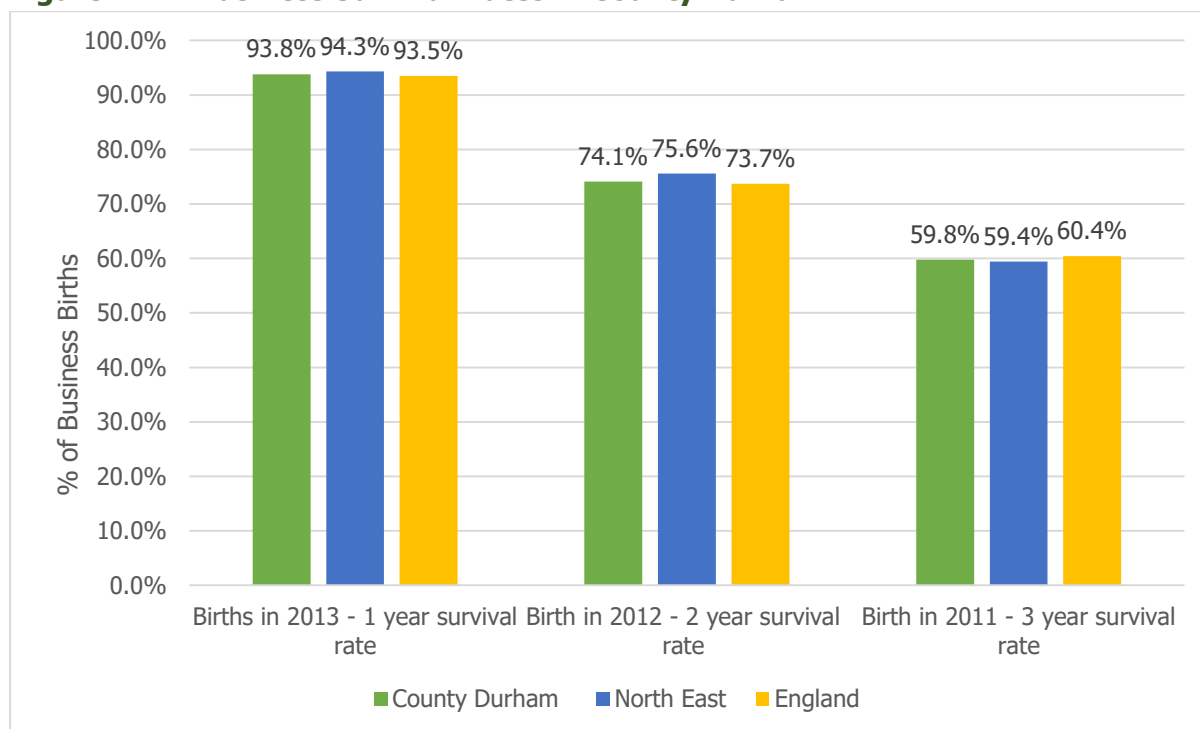
Figure 2.26: Active Enterprises in County Durham



Source: Business Demography 2014.

Business survival rates across County Durham are broadly similar to regional and national averages for over 1, 2 and 3 year periods, with around 60% of businesses born in 2011 surviving for 3 years.

Figure 2.27: Business Survival Rates in County Durham



Source: Business Demography 2014.

Businesses and potential entrepreneurs across South Durham benefit from the work of the local enterprise agency (South Durham Enterprise Agency), as well as Durham and wider North East focused provision funded through mainstream services (such as the New Enterprise Allowance) and European Structural Funds (such as the ERDF SME competitiveness programme). While the Agency has limited resources and capacity to fully address all local needs it delivers activity under these wider programmes and generates revenue from its property portfolio to enable it to deliver further business and enterprise support.

Findings from the survey undertaken to inform the LDS asked respondents to rate barriers to business growth and creation in South Durham. **Figure 2.28**, over, shows how survey respondents prioritised key barriers, with the top 4 barriers identified as lack of:

1. Availability of investment for businesses, with gap analysis, primary data, the survey and wider consultation identifying a particular gap in terms of small-scale grant funding to enable start-up or business growth among groups and communities which have low levels of access to finance;
2. Local entrepreneurial culture, with many people unaware of, not considering or lacking the confidence to start-up new enterprises, particularly within the most disadvantaged communities in South Durham;
3. Specialist business skills to enable businesses to enter new markets, with respondents suggesting that they were unable to access specialist services that are available to specific sectors or potential high growth businesses;
4. Lack of support to grow small scale businesses, including a lack of support for those that are some distance from being enterprise ready and therefore are not eligible for support through the New Enterprise Allowance (NEA).

Figure 2.28 Prioritisation of Barriers to Business Growth and Creation

	Priority Ranking	Average Score*	% selecting as most significant barrier	% selecting as second most significant	% selecting as third most significant
Lack of availability of investment for businesses	1	2.91	22%	32%	13%
Lack of local entrepreneurial culture	2	2.96	39%	14%	13%
Lack of specialist business skills to enter new markets	3	3.83	13%	14%	17%
Lack of support to grow small scale businesses	4	4.32	4%	18%	9%
Lack of local business support and advice	5	4.41	17%	5%	9%
Poor availability of appropriate business space	6	4.67	4%	18%	4%
Poor business networks	7	4.82	0%	0%	35%
Total	-	-	100%	100%	100%

* The lower the score the higher the priority

The area is home to a number of industrial sites including Dabble Duck Industrial Estate in Shildon; South Church Enterprise Park in Bishop Auckland and DurhamGate in Spennymoor. While the lack of appropriate business space was not ranked too highly in the survey, evidence from Business Durham and South Durham Enterprise Agency shows continuing strong demand for industrial property across South Durham, with a particular lack in the availability of smaller industrial or workshop units.

2.3 Local Services and Infrastructure

Infrastructure and access to local services is relatively good across South Durham CLLD area, with the area encompassing key service centres, including Spennymoor, Shildon and Bishop Auckland. These and other town centres act as the principal service access points for many residents of South Durham and Department for Transport (DfT) data shows that 90% of residents live within 30 minutes of at least one town centre by public transport/walk and 100% live within 45 minutes. However, some of the areas between these centres can experience transport issues which can impact upon their access to services and employment, particularly outside of peak hours.

The area has a number of strong local agencies, organisations and community groups with the Area Action Partnerships within South Durham CLLD acting as a focus for activity and collaboration at the community level.

Car/van ownership in the area is below the County Durham and England averages with 23% of residents aged 16 and over living in a household with no access to a car or van compared with 21% and 20%, respectively. The issue is even more significant for South Durham residents that are out of work with 41% of residents that are unemployed and 42% that are economically inactive due to a long-term sickness or disability, having no access to a car or a van. Given these issues it is important to consider the accessibility of employment sites and centres. **Figure 2.29** over shows the accessibility of employment centres by public transport

and/or walking for the economically active population of the CLLD area. This shows that by public transport/walk:

- 80% of economically active residents live within 15 minutes of employment centres with 500 to 4,999 jobs;
- All economically active residents live within 30 minutes of employment centres with 100-499 and 500-4,999 jobs;
- 98% of economically active residents live within 60 minutes of employment centres with 5,000+ jobs.

Figure 2.29: Accessibility of Employment Centres by Public Transport/Walk

Indicator	% of population
Residents within 15 minutes of employment centres with 100 to 499 jobs	76%
Residents within 15 minutes of employment centres with 500 to 4999 jobs	80%
Residents within 15 minutes of employment centres with at least 5000 jobs available	0%
Residents within 30 minutes of employment centres with 100 to 499 jobs	100%
Residents within 30 minutes of employment centres with 500 to 4999 jobs	100%
Residents within 30 minutes of employment centres with at least 5000 jobs	14%
Residents within 45 minutes of employment centres with 100 to 499 jobs	100%
Residents within 45 minutes of employment centres with 500 to 4999 jobs	100%
Residents within 45 minutes of employment centres with at least 5000 jobs	59%
Residents within 60 minutes of employment centres with 100 to 499 jobs	100%
Residents within 60 minutes of employment centres with 500 to 4999 jobs	100%
Residents within 60 minutes of employment centres with at least 5000 jobs	98%

Source: DfT Journey Time Statistics, 2014.

Working residents of South Durham CLLD area travel less distance to work on average compared to their counterparts across County Durham and the NELEP area (see **Figure 2.30**, below).

Figure 2.30: Average Distance Travelled to Work

	Average distance (km) travelled to work
South Durham CLLD	15.8
County Durham	17.4
NELEP	16.7
England	14.9

Source: Census 2011.

2.4 Deprivation and Disadvantage

It is important to consider issues other than employment and skills. Section 1 of this LDS showed levels of overall deprivation and disadvantage across the LSOAs that comprise the South Durham CLLD area. Analysis of overall IMD scores across different indicators reveals that health is a particular acute issue within the area. **Figure 2.31**, below, shows the CLLD area against some of the core non-employment related domains from the Indices of Multiple Deprivation. This shows that 82% of the LSOAs in South Durham are ranked among the 20% most deprived in the country in terms of health and disabilities¹⁴. While the area ranks relatively highly on the living environment¹⁵ domain 44% of its LSOAs are within the 20% most deprived in terms of income¹⁶.

Figure 2.31: Deprivation and Disadvantaged

	IMD Domain		
	Health	Income	Living Environment
% of LSOAs in the 10% most deprived	56%	21%	0%
% of LSOAs in the 20% most deprived	82%	44%	0%
% of LSOAs in the 50% most deprived	100%	85%	8%

Source: IMD, 2010.

2.5 SWOT Analysis

Figure 2.32, over, provides an overview of a SWOT analysis of the South Durham CLLD area, drawing on a range of primary and secondary sources.

The SWOT builds on a range of primary and secondary data sources and was informed and shaped through:

- Analysis of key data sources, including those outlined above;
- A web based questionnaire which secured 124 participants from across the community and provided people and organisations with the opportunity to identify key priorities for action;
- Consultation with communities and public, private and voluntary and community sector organisations based or operating within South Durham, this includes:
 - Initial interviews with key agencies and organisations to supplement the data analysis and questionnaire and shape the initial STOW analysis;
 - drop-in workshop and discussion sessions focussed on reviewing and refining the SWOT analysis;
 - Presentations and discussions with AAP Boards and relevant AAP Task & Finish Groups and members of the public to inform the refinement of the SWOT;
 - LAG meetings and feedback on draft LDS documentation to finalise the SWOT.

Further detail on these community involvement processes is available in **Section 4** of this LDS.

¹⁴ Indicators used here include premature death, disability and illness ratio, measures of acute morbidity and sufferers of mood or anxiety disorders.

¹⁵ Indicators used here include the condition of social and private housing, houses without central heating, air quality and road traffic accidents.

¹⁶ Indicators used here include a number of out of work and income support benefits.

2.32 'SWOT' Analysis

<p>Strengths</p> <p><u>People</u></p> <ul style="list-style-type: none"> • Employment rates marginally higher than the County average and in-line with the NELEP average • Presence of DurhamWorks to focus on supporting 18-24 year olds until 2018 • Active voluntary and community sector with strong partnership working ethos • History of collaborative working across the South Durham CLLD area <p><u>Place</u></p> <ul style="list-style-type: none"> • Presence of and proximity to key employment centres • Local service centres acting as social and economic hubs • Active local voluntary and community sector with range of community facilities and local community focused service provision • Good connectivity within the CLLD area • Area Action Partnerships • Considerable recent regeneration or housing investment in Bishop Auckland, Shildon and Spennymoor <p><u>Economy</u></p> <ul style="list-style-type: none"> • High levels of employment in skilled trades • Strong local manufacturing and engineering business base • Strong employment in wholesale & retail, health & social and construction care sectors • Resilient local business and enterprise support agency • Some strong local business networks • High business start-up rates and increasing number of active enterprises 	<p>Weaknesses</p> <p><u>People</u></p> <ul style="list-style-type: none"> • Levels of unemployment higher than the County Durham and England averages • Levels of economic inactivity higher than NELEP and England averages, with proportion of working age adults inactive due to long term sickness or disability around double the national average • High proportion of the population with no qualifications • Significant levels of unemployment • High levels of mental health and behavioural disorders among ESA claimants, including the work related activity group • Perceptions and aspirations among some of those furthest from the labour market <p><u>Place</u></p> <ul style="list-style-type: none"> • Area confidence and self-image • Significant pockets of deprivation, unemployment and economic inactivity • High levels of poor health and disabilities <p><u>Economy</u></p> <ul style="list-style-type: none"> • Limited number of local employment opportunities with survey respondents highlighting this as the key barrier to growing labour market participation • Lack of entrepreneurial culture and low levels of self-employment, particularly among females • Ageing workforce, particularly in manufacturing and engineering industries • Insufficient business and enterprise support resources • Lack of industrial premises to let • Loss of employment land and industrial buildings due to housing and retail demand • Lack of low level and low risk finance to support start-up and business growth
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Figure 2.2 continued...

Opportunities	Threats
<p><u>People</u></p> <ul style="list-style-type: none"> • Ideas identified through local support networks and groups, with a potential pipeline of projects to support those furthest from the labour market identified through the LDS development process • Rising levels of entrepreneurship and business start-ups • Community asset transfer and service transformation agendas, including The Durham Ask¹⁷ • Community focussed engagement <p><u>Place</u></p> <ul style="list-style-type: none"> • A good distribution of underutilised community assets with potential for growth • Significant appetite to drive area improvement • Linkages to Area Action Partnership structures and funds • Significant investment and development in Bishop Auckland • Town centre and area investment and development proposals, including Spennymoor • Presence of and proximity to key industrial estates and employment sites <p><u>Economy</u></p> <ul style="list-style-type: none"> • Potential for business growth with rising levels of business start-ups and higher levels of sole traders among the enterprise base than County, regional and national averages • Local business and enterprise support agency and business networks • Potential to address demand for local workspace • Supply chain opportunities due to the strength of the local manufacturing/engineering industry 	<p><u>People</u></p> <ul style="list-style-type: none"> • Ageing population and an ageing workforce, particularly in manufacturing and engineering • The impact of welfare reform • Significant and multiple complex barriers to engagement and employment for many target participants • Unaddressed health and wellbeing issues • Recent and proposed investment and development in Bishop Auckland and Spennymoor Town Centre not creating economic opportunities for the disadvantaged <p><u>Place</u></p> <ul style="list-style-type: none"> • Financial viability, sustainability and condition of some community assets • Relatively weak commercial property investment market • The capacity of the public sector to invest • Underinvestment and occupancy of some town centres • Proposed investments and developments not coming to fruition <p><u>Economy</u></p> <ul style="list-style-type: none"> • Importance of the public sector and wholesale and retail to local employment • National and local economic performance • Capacity or willingness of the private sector to invest over the short and medium term

¹⁷ This exists to support community based groups who may wish to look at transferring assets into community ownership and management:
<http://www.durham.gov.uk/communityassets>

3. Strategy and Objectives

3.1 Intervention Logic

3.1.1 Local Needs and Opportunities

Although issues of deprivation and related lack of economic activity have commonalities across the country, there are specific challenges facing South Durham. It has a concentration of areas that were historically dependent on the coal industry, and while the economic infrastructure has adapted to change, there remain both practical and cultural barriers to regeneration, as well as opportunities, that can be addressed in part through a CLLD approach.

While the CLLD area as a whole faces challenges, there are concentrated pockets of deprivation in:

- Spennymoor;
- Bishop Auckland;
- West and St Helen Auckland;
- Coundon; and
- Shildon.

These areas will form a focus for intervention, with a view to creating linkages across the wider community, and building opportunity for economic and social development. For example, recent major investments in Bishop Auckland, with the: development of the Auckland Castle¹⁸; Kynren project¹⁹; and Spanish art gallery²⁰; has created the



possibility of the area becoming a significant visitor attraction, with potential opportunities for local employment and business links. A recent economic impact assessment of this investment was undertaken by the Auckland Castle Trust²¹. This is in addition to employment sites being developed around Spennymoor²², the development of the employment site around DurhamGate, and housing regeneration in York Hill.

In addition, the approach developed through Durham County Council's Area Action Partnership (AAP) framework provides a base from which local activity can be built, including financial

¹⁸ <http://www.aucklandcastle.org/castle-restoration/>

¹⁹ <https://elevenarches.org/>

²⁰ <http://www.aucklandcastle.org/spanish-gallery/>

²¹ Auckland Castle Trust *Field of Dreams* June 2016

²² <http://democracy.durham.gov.uk/documents/s33253/Spennymoor%20MasterplanFINAL.pdf>

resources against which ESIF can potentially be matched on relevant projects. The area is covered by parts of two AAPs²³:

- Bishop Auckland & Shildon; and
- Spennymoor.

The AAP approach (described in **Section 1** above) will be an important underpinning factor in animation for the CLLD, supporting local organisations to develop and design projects to be funded.

These organisations form an integral part of the County Durham approach, involving local people and organisations, with an annual budget to support delivery, engagement and empowerment. AAP activity will feed into the work of the LAGs, and will provide a potential resource for match funding in appropriate projects.

For example, the AAPs have supported an Employability:

- Skills Fund and Discretionary Fund delivered by Bishop Auckland College;
- Fund within the Troubled Families programme;
- Information Network with Community and Voluntary Organisations' Services.

As **Section 2** shows, the South Durham CLLD area faces:

- Unemployment and inactivity, particularly long-term unemployment, people that never worked and people who are sick or disabled, with mental health a key issue;
- Concentration of unemployment among 29 year olds and under and inactive among 30+;
- Low levels of self-employment, particularly for women;
- Lack of qualifications among residents;
- Low entrepreneurship levels and lack of support to get enterprise ready;
- Lack of diversification;
- Lack of small scale grant funding for business;
- Lack of resources for business IAG; and
- Availability of workshops (as opposed to start-up office provision).

There is also a perception of poor transport linkages, although the data at **Section 2.3** suggests this may be more of a perceived than actual barrier. Nevertheless, this perception came out strongly over the consultation, pointing to the fact that individuals see this as a real block to accessing employment, and there are clearly some issues around off-peak travel and access to shift working in employment areas.

CLLD therefore provides an opportunity for the South Durham area to build on its existing social capital to generate innovative approaches to the socio-economic issues that it faces.

The key target groups are:

- The unemployed and economically inactive group in the area, to help remove barriers to employment (including self-employment); and

²³ <http://www.durham.gov.uk/article/1960/About-AAPs>

- Micro and small businesses (including social enterprises) which have the capacity to offer employment and training to people in the CLLD area, and contribute to the regeneration of core settlements.

This targeting will be enabled through:

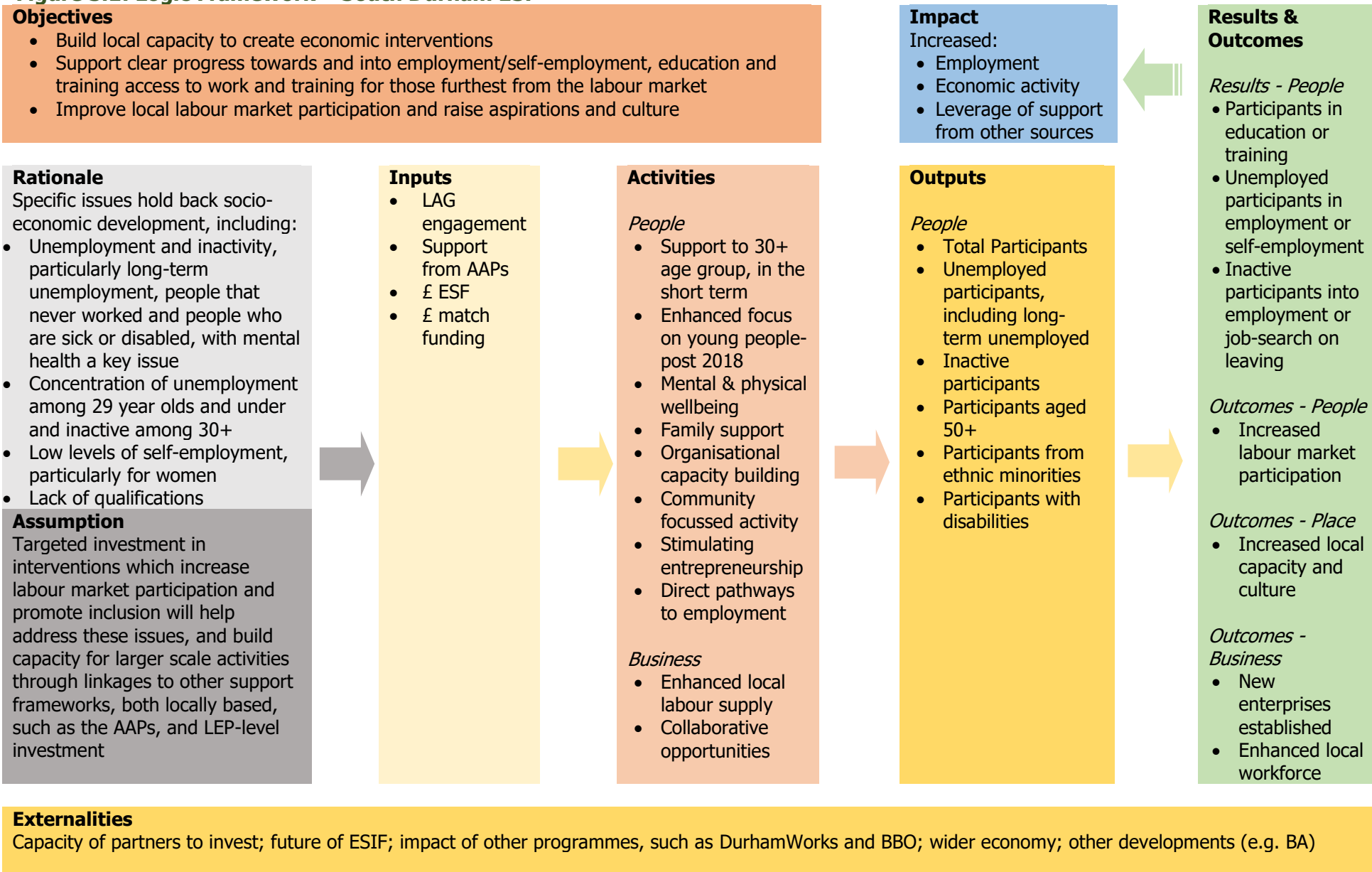
- Developing a sustainable community-led **infrastructure** in targeted communities that will engage and support people furthest from the labour market into work, for example through:
 - peer to peer support for people facing additional barriers, such as health and wellbeing issues, including work with families;
 - targeting existing facilities as foodbanks for the offer of employability support;
 - encouraging mobility across the area into employment centres;
 - advice and support;
 - enhancing existing community assets and networks;
- Investigating ways in which the major developments in **Bishop Auckland** and **Newton Aycliffe** can provide opportunities for supporting employability and business creation and development;
- Helping to provide small **workspace** units in local facilities, with an emphasis on craft and trade, rather than office provision;
- Creating an environment that encourages **enterprise and innovation**, especially among community led organisations. This could be in the form of:
 - Promoting self-employment as a potential route into work, for example by workshops where local people already congregate, such as community facilities;
 - Building on the model of the Durham Creatives programme²⁴;
 - Supporting collective enterprises through specialist advice and small grants, such as co-operatives and social enterprises, especially in sectors that will contribute to other objectives, such as social care or the provision of business loans through credit unions;
 - Helping individuals to become enterprise-ready, to be able to access New Enterprise Allowance.

Importantly, the support will be structured so that there is a **coherence** to interventions as a whole, for example with local employability support being located in community facilities, and business networks being used to develop training and employment for target groups.

Figures 3.1 and **3.2** over summarise the logic framework that informs the LDS for both ESF and ERDF interventions.

²⁴ <http://www.durhamcreatives.co.uk/>

Figure 3.1: Logic Framework – South Durham ESF



Logic Framework – South Durham ERDF

Objectives

- Promote and develop local entrepreneurship
- Support the development and growth of local start-ups, micro and small businesses and social enterprises
- Enhance community infrastructure and capacity for economic growth
- Integration with local opportunities presented by key sectors, proximity to key employment sites, service and estates transformation agendas and other factors

Rationale

The ND CLLD area faces specific issues that hold back socio-economic development, including:

- Low entrepreneurship levels and lack of support to get enterprise ready
- Lack of diversification
- Lack of small scale grant funding
- Lack of resources for business IAG
- Availability of workshops

Assumption

Targeted investment in interventions led by a LAG will develop the conditions to address these issues, and build capacity for larger scale activities through linkages to other support frameworks, both locally based, such as the AAPs, and LEP-level investment

Inputs

- LAG engagement
- Support from AAPs
- £ ERDF Revenue
- £ match funding

Activities

People

- Enterprise support services, including gender focus
- Start-up grant funding
- Community delivery

Place

- New workshops
- Enhancing business support infrastructure

Business

- Access to small-scale grant support
- Social enterprise hubs/ /diversification
- Business IAG and collaboration
- Linkages to labour supply

Impact

Increased:

- Employment
- Economic activity
- Leverage of support from other sources

Outcomes

People

- Increase in employment
- Increased in self-employment readiness

Place

- Increased local capacity
- Improved business/ enterprise assets

Business

- Business growth
- New start-ups
- Increased investment
- Development of enterprise culture
- Enhanced resilience

Externalities

Capacity of partners to invest; future of ESIF; impact of other programmes, such as DurhamWorks and BBO; wider economy; other developments (e.g. BA)

3.1.2 Local Objectives and Targets

The overall aim of the LDS is to build a local response to the three primary issues of:

- **People:** Supporting people furthest from the labour market towards employment;
- **Place:** Enhancing the resources and capacity for community led responses to development; and
- **Business:** Supporting the development of new and existing employment opportunities in the area.

This will be achieved through the LAG taking a proactive approach to encouraging local interventions that meet the needs of the local economy, using ESIF resources to lever in additional support, resources, and activity that will contribute to addressing the challenges that the area faces, and tying into local networks, such as community facilities and the AAPs.

In particular, the LDS will aim to build local **capacity**, both in terms of the design and development of interventions and in leveraging in additional resources to support regeneration.

The outcomes from the implementation of the LDS will include:

- Reduction of unemployment;
- Increased economic activity rates;
- Increased employment in local businesses;
- Increased productivity in local businesses;
- Strengthened community resources; and
- Improved area perceptions.

Importantly, the LAG itself will be an important focus for capacity building and active engagement, working in partnership with the AAP networks and other local organisations.

The objectives arising from the ESF and ERDF interventions are therefore summarised below.

Figure 3.3: Objectives

ESF	ERDF
<ul style="list-style-type: none">• Build local capacity to create economic interventions• Support clear progress towards and into employment/self-employment, education and training access to work and training for those furthest from the labour market• Improve local labour market participation and raise aspirations and culture	<ul style="list-style-type: none">• Promote and develop local entrepreneurship• Support the development and growth of local start-ups, micro and small businesses and social enterprises• Enhance community infrastructure and capacity for economic growth• Integration with local opportunities presented by key sectors, proximity to key employment sites, service and estates transformation agendas and other factors

3.1.3 Actions & Funding

The focus of the LDS is to mobilise resources that will address the objectives in the most effective manner. **Figure 3.4** summarises the main ways in which the ESIF support will be targeted.

Figure 3.4: Actions & Funding

Theme	ESF	ERDF Revenue	ERDF Capital
People	Engagement Mentoring and guidance (with initial focus on 25+ age group, with young people becoming a priority post DurhamWorks (2018))	Community delivery of activities (e.g. social enterprise)	
	Pre vocational training	Enterprise support	
	Supporting entrepreneurial culture, including a focus on gender issues		
	Encouraging access to opportunities within new developments in Bishop Auckland and Spennymoor		
	Supporting mental wellbeing		
Place	Physical access to employment sites (e.g. supporting effective use of public transport)		Extending the use of underutilised assets for enterprise (e.g. community facilities)
Business	Supporting the development of the labour supply through work experience and placements	Social enterprise support	Developing local hubs with social enterprise focus
	Collaboration and networking (e.g. joint work experience/apprenticeship initiatives)	Supporting supply chain and employment access initiatives through business linkages	
		Targeting potential growth sectors (e.g. social care; environmental sustainability)	

For the purposes of the LDS, it is important that the types of project are not made too prescriptive. However, it is equally important that the limited CLLD resources are effectively marshalled and targeted for the maximum impact. The LAG will therefore take into account the additionality factor of any intervention, as well as the extent to which the support can lead to sustainable activities, while taking into account acceptable risk.

3.1.4 Monitoring & Evaluation

The LAG has a central role in ensuring that the LDS fully meets the need of the wider community, and in adapting interventions to meet changing needs. It will therefore be essential that progress over the LDS as it evolves is subject to ongoing monitoring, in order to ensure that:

- Effectiveness and value for money is assessed;
- Emerging opportunity areas are identified; and
- ESIF resources are targeted on activities of greatest need.

The Logic Frameworks (**Figures 3.1** and **3.2**) summarise the ways in which the ERDF and ESF components of CLLD will interlink and provide the basis for the evaluation framework for the LDS.

The LAG will undertake an annual review of the CLLD programme in consultation with the wider community in order to ensure that targeting of resources remains appropriate and fit for community needs. It will also undertake an interim evaluation half way through the programme (2019) and a summative evaluation on completion. The information from these reviews will be used to inform ongoing investment of ESIF as the programme develops, and allow for sufficient flexibility to adapt to new challenges.

3.2 Objectives

The specific objectives of South Durham CLLD have been described in **Section 3.1.2** above. In line with the overall objectives of CLLD, the LDS aims to create local ownership around defined priorities in a coherent fashion while encouraging innovation.

With a focus on **People, Place, and Business**, the LAG will direct ESIF resources with the aim of improving people's lives and developing the local economy. Specifically, the funds will be used to meet the objectives summarised in **Figure 3.5** over.

Figure 3.5: Strategic Objectives

Theme	Activity Focus	Objectives (by 2023)
People	Routes into work	Reduction in economic inactivity rates Increase in activities focused on people inactive/unemployed in worst 20% IMD areas Increase in numbers of self-employed, including proportion of women
Place	Infrastructure	Establishing the LAG as part of the range of levers and partners that local communities can access to support regeneration Creating new workspaces for micro/small enterprises Development of community facilities for economic development
Business	Networking & Support	Establishing new businesses Supporting new co-operatives/social enterprises Creating new networks focused on training and supply chain access, especially around new developments

The overall aim of the programme will be to enable bottom up solutions to the challenges which the area faces. In particular, the LAG will seek to identify and support local initiatives that will enable practical and innovative actions.

3.3 ESI Fund Outputs and Results

Taking into account the overall objectives for the Transition Area within the NELEP ESIF programme, and the target population in the area, the Durham South minimum Outputs and Results to be achieved by 2023 are summarised in **Figures 3.5 to 3.7**.

Figure 3.5: ESF Outputs

ID	Indicator	Target
01	All Participants	941
Of which:		
-	Women	431
-	Men	510
C003	Inactive	244
C001	Unemployed	657
04	Over 50 years old	159
C016	With disabilities	249
05	Ethnic Minorities	30

It should be noted that there is an ESF output target specifically for Ethnic Minorities, which proportionately for the South CLLD area would be 108. However, the **total** BAME population in the CLLD area²⁵ who are unemployed or inactive is only 230, and it is not considered

²⁵ Calculated on Medium SOAs

realistic for the CLLD activities to cover c.50% of this group. A reduced target figure of 30 is therefore proposed.

Figure 3.6 summarises the projected results from the programme over the five-year period.

Figure 3.6: ESF Results

ID	Indicator	Target
CR02	Participants in education or training on leaving	179 (19%)
R1	Participants in employment (incl. self-employment) on leaving	150 (16%)
R2	Inactive participants into employment or job search on leaving	71 (29%)

The ERDF outputs are shown below. The LAG consider that the employment increase target will be the most challenging, and has therefore taken this into account when allocating resources within the Financial Plan. On the other hand, the buildings target is considered to be on the low side, especially since the development of such facilities is a key component of the LDS.

Figure 3.7: ERDF Outputs

ID	Output Indicator	Target
C1	Number of enterprises receiving support	37
C5	Number of new enterprises supported	26
C8	Employment increase in supported enterprises	28 FTEs
P12	Public or commercial buildings built or renovated	90m ²
P11	Number of potential entrepreneurs assisted to be enterprise ready	105

3.4 Consistency, Complementarity and Synergy

It is recognised that CLLD activity does not work in a vacuum. There are many other interventions that operate within the area, and which touch on similar themes. Indeed, CLLD is an integral component of the NELEP Area ESIF Strategy 2014-2020, and will therefore slot in to the range of other activities. An intention will be to target activities that will have the potential to scale up to mainstream County, LEP-wide and national programmes.

There are two important considerations to be taken into account in this respect:

- A recognition that the **scale** of CLLD is significantly lower than many other sources, and lends itself to small and pilot interventions; and
- The fact that the highly localised focus of CLLD provides an opportunity to **target** specific needs, creating significant impact within small areas.

CLLD will therefore be used to complement existing activities and support. The key support provision to be taken into account is summarised in **Figure 3.8** over. It is important that CLLD not only acts in a manner complementary to these resources, but also understands the timescales over which these offers exist.

The LAG will also utilise the AAP Action Plans where appropriate to help understand what other activity is planned within the CLLD area to ensure a strong community synergy.

Areas for focus for CLLD will therefore be:

- Supporting highly local employability activities, with an initial focus on older age groups, and linking to local development opportunities. This will be able to provide larger scale local interventions than other support targeted on local groups, such as LA7 Community Grants;
- Building local capacity to deliver enterprise and employability services;
- Addressing gaps in enterprise provision, such as:
 - Social enterprise diversification, and assistance in entering new markets;
 - Small-scale funding gaps, for example in providing a higher intervention rate of business improvement grants than the NEBSF offer; and
 - Networking among micro and small businesses.

Figure 3.8: Related Programmes

Employability	
DurhamWorks	Two year (2016-18) Youth Employment Initiative (YEI) focusing on 16-24 year olds, providing employability and training support
Building Better Opportunities	Join ESF/Big Lottery Programme (2016-2019) focusing on people furthest from the labour market, run in Durham by Groundwork
NELEP Mainstream ESF	Employability, Active Inclusion and post YEI activities; including Skills Funding Agency and Department of Work and Pensions (DWP) opt-ins (2014-2020)
LA7 ESF Community Grants	Community Grants provides small grants to VCS organisations to support unemployed or inactive people into the labour market. This is part of SFA Opt-in.
North East Mental Health Trailblazer	Covering the seven North East Combined Authorities providing additional employability support through coaches (2015-18) referred through Job Centre Plus and NHS Improving Access to Psychological Services
Talent Match ²⁶	A Big Lottery programme targeting young people who are furthest from the jobs market, including those who are completely outside of the benefits, work and training system and facing severe barriers to gaining the skills they need to get into work. (2014-19)
DWP and Welfare Reform	This covers a range of provision, such as Work Clubs, and a range of support provision for people with disabilities or wellbeing issues, including: Access to Work; Fit for Work; Health and Work Innovation Fund; Work and Health Programme (from 2017). Changes to the benefits system, will also impact on our target group, such as: the move from Disability Living Allowance to Personal Independence Payments; Universal Credit; and the

²⁶ <http://www.disc-vol.org.uk/projects/talent-match-county-durham/>

	requirement for new ESA claimants to participate in work-related activity/job search.
Education Health and Care Plans ²⁷	For young people with learning difficulties, physical disabilities, or health related problems (to 25).
Work Programme (becoming WP+)	The current Work Programme is under review, with new contracts underway from 2017 onwards.
ARCH Recovery College ²⁸	NHS provision providing support for those facing mental health issues, with peer supported learning
Stronger Families ²⁹	The Troubled Families Programme in Durham, which includes employability support.
Generation North East ³⁰	Connecting businesses with young (18-25) people (2015-18)
Gaunless Big Local ³¹	A lottery funded project in Bishop Auckland that provides locally directed resources for local communities
Enterprise	
NELEP Mainstream ERDF	Business support (advice, grants and loans); Competitiveness; Innovation; Low carbon and climate change mitigation
New Enterprise Allowance	Mentoring, allowance and loans for benefits claimants
North East Business Support Fund	Business improvement grants of up to £2,800 (requiring 65% match)
Prince's Trust Programmes ³²	Training, employability and business support

Key projects contracted or subject to full assessments under NELEP mainstream ERDF, include:

- The North East Business Support Fund, delivered by NBSL and mentioned above;
- Enterprise Support in the North East, by North East Enterprise Agency Ltd (NEEAL), to provide general support to those with ambitions to start a business, with no specific focus on areas of disadvantage and the barriers such communities face;
- The Innovation Pathway, delivered by RTC North this focuses on increasing the competitiveness of North East SMEs operating in or around healthcare through the uptake or commercialisation of new products and intellectual property and further innovation focussed projects. This includes Designing Better Business, also delivered by RTC North and focusing on supporting SMEs to enhance their resilience and move up the value chain by increasing their capacity to innovate through high value products and services
- Digital Futures providing business support to SMEs in the creative and digital industries; the SME Growth via Facilitated Market Access and Energy Management

²⁷ <https://www.gov.uk/children-with-special-educational-needs/extra-SEN-help>

²⁸ <http://www.tewv.nhs.uk/site/care-and-treatment/service/ARCH%20Recovery%20College>

²⁹ http://www.countydurhamfamilies.info/kb5/durham/fsd/advice.page?id=Z8S_XRfIwCI

³⁰ <http://generationne.co.uk/process>

³¹ <http://localtrust.org.uk/get-involved/big-local/gaunless-gateway>

³² <https://www.durhamlocate.org.uk/Services/1921/Prince-s-Trust-Durh>

project to support to process industry SMEs; and other projects focussed on specific industries such as the creative industries, digital technology, electronics manufacturing, or automotive sectors;

- Internship and Enterprise focussing on graduate placements.

The above shows how wider ERDF provision brings a focus on specific industries, innovation and high value growth, higher level skills or more general enterprise support without a focus on disadvantaged groups and communities. As a consequence ERDF activity under CLLD will focus on addressing these gaps.

3.5 Equal Opportunities

The LAG will ensure that it complies with the requirements of the Equality Act 2010 (the Act) by having due regard to the needs of people within the *protected characteristics* of: age; disability; sex; race; religion and belief; sexual orientation; pregnancy and maternity; and gender reassignment.

However, it is recognised that making statements about commitment are not necessarily the same as delivery. This applies equally to people employed within delivery organisations, as well as beneficiaries themselves.

Specifically, the LAG will:

- Eliminate from its work unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- Advance equality of opportunity between people who share a protected characteristic and those who do not;
- Foster good relations between people who share a protected characteristic and those who do not;
- Remove or minimise disadvantages within LAG activities and projects suffered by people due to their protected characteristics;
- Take steps to meet the needs of people from protected groups within LAG activities and projects where these are different from the needs of other people; and
- Encourage people from protected groups to participate in LAG activities where their participation is disproportionately low.

LAG members will be briefed and trained on Equal Opportunities. This training will form part of the induction processes for LAG members. Guidance will be made available to ensure ongoing compliance.

In addition, all CLLD activities will take into account the following principles:

- Promoting Accessibility;
- Valuing Cultural Diversity;
- Promoting Participation and Inclusive Communities; and
- Reducing Disadvantage and Exclusion.

Our monitoring processes will therefore include consideration of equal opportunities in practice.

3.6 Environmental Sustainability

CLLD activities will take into account an overarching commitment to environmental sustainability in projects. We will seek to provide a positive contribution to the environment through specific activities funded and will minimise our negative contribution through actions aimed at reducing waste and energy use and using environmentally friendly and more sustainable products, where possible. We will ensure that every aspect of our activities is conducted in accordance with sound environmental practices, thereby contributing towards achieving a more sustainable future. In particular the projects delivered through CLLD will include a focus contribution to maintaining and enhancing the local environment while simultaneously increasing participants' understanding of their local environment and sustainable development.

We will seek to:

- Continually monitor environmental legislation development with an intention to review internal practices when possible;
- Encourage the use of sustainable resources and alternative environmentally friendly products, where possible and within financial constraints;
- Conserve the use of resources;
- Encourage recycling waste and use recyclable products; and
- Enhance beneficiary awareness of environmental issues and their impact.

Through activities focusing on diversification, we will also seek to encourage new business interventions that target the green economy, in order to maximise the benefits of moving towards circular economy³³ approaches that will benefit our community.

3.7 Innovation

The motivating force behind CLLD is that relatively small ESIF investments from a bottom-up perspective can develop new products, services or ways of doing things in a local context, and have a multiplier effect on the changes needed in our community.

This approach requires an attitude to risk that encourages experimentation and prototyping, with the allocation of support acknowledging that not all attempts will lead to immediate success. This places the CLLD support on a spectrum that will develop initiatives, from community 'prompts', some of which will be capable of scaling up to larger interventions in the future as illustrated in **Figure 3.9** below.

³³ <http://www.wrap.org.uk/about-us/about/wrap-and-circular-economy>

Figure 3.9 Innovation



To support this activity, the LAG will implement a **Prototyping Fund** that will provide small scale grants to individuals and groups, which could for example:

- Prototype activities, for example by testing a new approach to employability support on a small groups of people;
- Investigate new business areas; and
- Obtain initial advice on the potential for property improvement.

The key to managing an effective Prototyping Fund will be for the LAG to take a managed approach to risk, encouraging creative approaches to the development of local solutions that can be tested and scaled up where appropriate. It will also require an approach from the LAG that is not so prescriptive that it will discourage creative approaches.

We envisage the scale of prototyping grants to be c.£1,000-1,500, and will wish to investigate ways in which these can be 100% funded, either through the investigation of appropriate match funding, or through varying the programme intervention rates, by increasing the need for match on other funded activities.

The Prototyping Fund will be sourced from ERDF, and will not exceed 1.5% of total CLLD expenditure. Prototyping Fund awards will take into account the full range of ESIF requirements, and will contribute to ERDF Output P11: Number of potential entrepreneurs assisted to be enterprise ready.

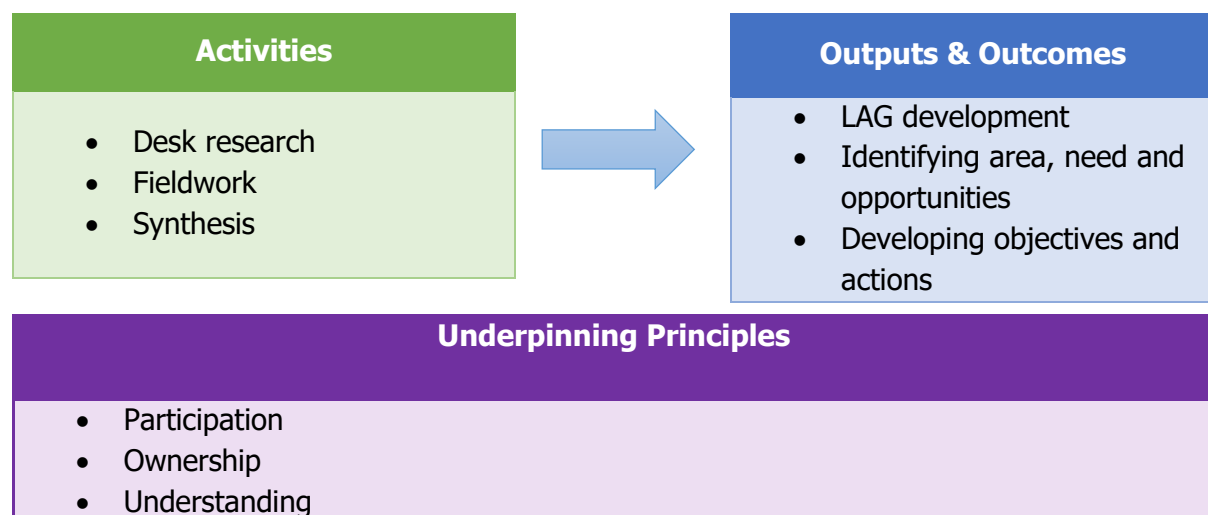
We expect therefore to make around 5 prototyping grants a year, from which 3-4 will result in further funding bids, both to CLLD and other sources.

4. Community Involvement

4.1 Developing the LDS

CLLD is a bottom-up approach to the allocation of European Structural Funds to drive economic inclusion and participation and the growth, development and creation of local businesses and social enterprises through community involvement and empowerment. Therefore the community has played a central role in the design, development and finalisation of this LDS. Involvement, influence and leadership from the South Durham community has been facilitated through a variety of mechanisms and opportunities, focussing on local intelligence and prioritisation of areas of specific need the ways CLLD and local communities can most effectively contribute to economic inclusion and participation and enterprise development and growth. The activities involved and outputs and outcomes generated by the community involvement processes is summarised in **Figure 4.1**, below.

Figure 4.1: LDS Development Process



Involvement and co-operation have been embedded throughout the development of this LDS, thereby ensuring that it is tailored specifically to the needs of the locality, and that the proposed actions and priorities developed are owned by the community.

4.2 Involvement Activities

An active programme of engagement has been undertaken in South Durham since the initial Call for Proposals was issued in October 2015. A multi-faceted approach was adopted in order to maximise opportunities for involvement and in recognition that different sections of the community will have different capacity for involvement and will wish to be involved in different ways. Therefore, since securing Preparatory Stage funding this process has comprised a range of activities and approaches to secure active engagement from public, private and voluntary and community sector partners, including:

- Establishment of a web-based questionnaire made available through April, May and July, following its suspension during purdah;

- Attendance at community, employment and enterprise focussed meetings and events across the South Durham area;
- Consulting with local partnerships, voluntary and community sector and private sector organisations;
- Interviews and meetings with key support and delivery organisations across County Durham and within the South Durham area;
- A series of Local Action Group meetings and consultation processes to refine, finalise and agree the LDS; and
- Drop in consultation meetings in:
 - Bishop Auckland; and
 - Spennymoor.

Each of these processes were utilised for a number of purposes, including:

- Raising awareness and understanding of CLLD, ESF and ERDF;
- Stimulating and securing interest and participation in the LAG;
- Securing participation and community involvement in the definition of the CLLD area, analysis of needs, area SWOT analysis, programme objectives and prioritisation; allocation of resources and the action plan;
- Ensuring community ownership and sign-off of the LDS.

A brief overview of these processes is provided below.

4.2.1 Web based Questionnaire

The web based questionnaire provided a mechanism for participation for those without the capacity to attend the numerous other consultation processes available through the LDS development process. The questionnaire and an accompanying briefing note on the paper were sent out and promoted through a variety of intermediary organisations and partnerships to maximise exposure and the potential for participation among a diverse range of groups. Key mechanisms for dissemination and promotion of the survey, included:

- The Bishop Auckland & Shildon and Spennymoor Area Action Partnerships and their respective Task Groups; including promotion via their email contact lists, Facebook, twitter and website pages; and
- Local voluntary and community sector and business and enterprise organisations.

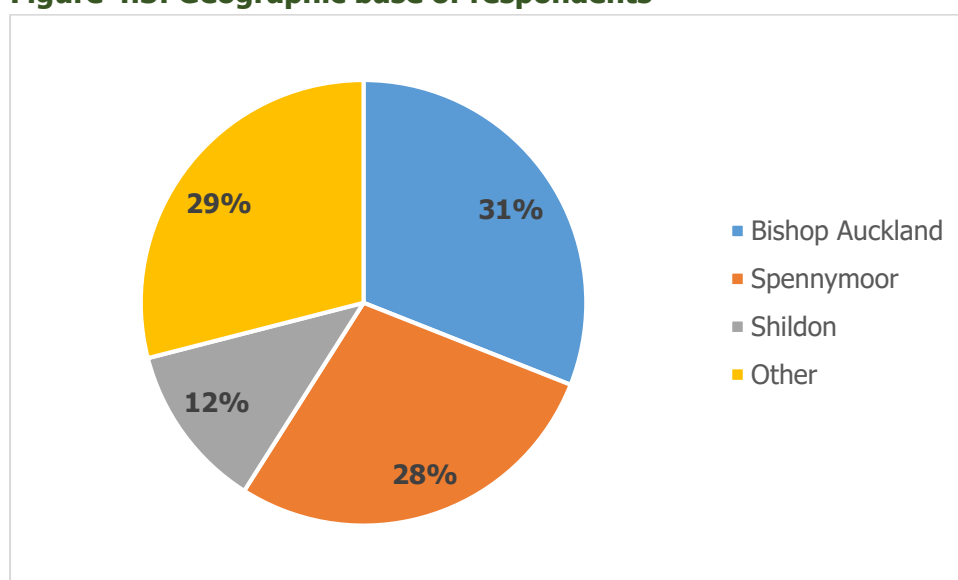
The questionnaire secured **130 responses** from across representatives of the public, private, voluntary and community sectors as well as individual residents within the CLLD area. While the questionnaire secured participation from individual residents and across the public, voluntary and community and private sectors, **Figure 4.2** over, shows that participation was lowest among the private sector. However, the participation of local business and enterprise networks both through the questionnaire and alternative involvement process described below has ensured strong representation of private sector perspectives, needs and priorities. In total a fifth of questionnaire respondents expressed an interest in being a member of the South Durham CLLD Local Action Group, with a substantial proportion of those expressing an interest being from the VCS.

Figure 4.2: Questionnaire Respondents

	All respondents	Those interested in the LAG
Total responses	130	26 (20%)
Business owner managers (%)	6%	8%
VCS representatives	27%	46%
Public sector representatives	38%	19%
Local residents	20%	15%
Other	9%	12%

Figure 4.3 below shows that the questionnaire achieved good geographic coverage from across the core settlements within the CLLD area, with the largest two towns of Spennymoor and Bishop Auckland accounting for similar proportions of respondents.

Figure 4.3: Geographic base of respondents



As part of this questionnaire respondents were asked to prioritise areas of action to support activity under ESF and ERDF (related to CLLD, ESF and ERDF guidance as well as desk based analysis) and highlight specific areas for activity and/or potential project ideas. These responses have been incorporated within the SWOT and needs analysis within Section 2 and have informed the objectives and action plan outlined in Sections 3 and 5 of the LDS.

4.2.2 Consultation Events

Public and group meetings and events have formed an integral part of the involvement and engagement process. In developing the LAG and LDS, the consultants appointed to support the Preparatory Stage process attended, presented and consulted at 9 meetings and events and delivered two drop-in consultation sessions. This included:

- Board meetings of BASH and Spennymoor AAPs;
- Meetings of relevant Task Groups and Networks of AAPs in the area, such as the Spennymoor Employability Network, Spennymoor AAP Employment Task Group and the BASH employability Task Group;

- Two drop-in events in Shildon and Spennymoor for County Councillors from wards covered by the South Durham CLLD area and adjoining wards;
- Two open drop-in sessions for any interested parties; these were held in Spennymoor and Bishop Auckland and were open before and after the AAP AGMs in these areas; and
- Meeting with the County Durham European Investment Group.

A significant number of engagements were secured through these events with a cumulative total of **156 attendees at the meetings, events and drop-ins** outlined above.

The meetings and events enabled the Preparatory Stage consultants to raise awareness and understanding of CLLD, while obtaining local intelligence on key local needs, strengths, weakness, opportunities and priorities. Open question and answer sessions were a key component of each of these meetings, enabling participants to gain a greater understanding of CLLD and ensuring that the intelligence gathered was tailored to what is possible through CLLD and associated ESF and ERDF funding. Held at a later stage in the LDS development process 2 drop-in participatory planning sessions were held across the CLLD area. These events were aligned with AAP AGMs and focussed on informing and refining the area SWOT analysis with a particular focus on opportunities and the formulation of SMART objectives and an Action Plan to enable their successful delivery.

These events provided representatives of the accountable body and the Preparatory Stage consultants with the opportunity to have in-depth conversations and discussions with individuals and groups of participants to gain a greater understanding of their views of the strengths, challenges, barriers and opportunities within their local communities and the wider CLLD area to which they belong and play a key role in informing the LDS development process. These meetings also provided participants with the opportunity to gain a greater understanding of CLLD, ESF and ERDF, while also successfully stimulating further interest in LAG membership and facilitated the development of potential activities that could be considered for support under CLLD.

4.2.3 Stakeholder Interviews and Meetings

The involvement process has also incorporated one to one interviews or small meetings with representatives of key support agencies and organisations from across the CLLD area and beyond. Examples of organisations involved through these interviews and meetings, includes:

- Private sector representatives including the South Durham Enterprise Agency and local and regional business networks such as the Federation of Small Businesses;
- VCS representatives including County level infrastructure organisations like Durham Community Action;
- Agencies and organisations responsible for delivering mainstream and other ESIF funded activity of relevance to CLLD in South Durham, including representatives of Durham County Council and Department for Work & Pensions;
- Other local agencies and organisations working across the economic inclusion and development agendas across the CLLD area, including Business Durham and local social housing providers such as livin Housing.

In total 16 individuals were engaged through these interviews and small meetings, many of which were with frontline organisations with a local presence or strategic organisations with commissioners or individuals with a strategic understanding of delivery across South Durham and beyond. As a consequence these played an important role in informing the LDS in terms of complementarity and synergy with other services and activities and local needs and opportunities.

4.2.4 LAG Consultation

The LAG appointed for the CLLD South Durham area, has contributed to developing, refining and finalising this LDS. This includes:

- a participative planning session at the inaugural LAG meeting during which members helped to shape the objectives and action plan incorporated within Sections 3 and 5 of this LDS;
- Open and ongoing feedback on drafts of the LDS;
- Final agreement and sign-off of the LDS.

The LAG endorsed the final draft of the LDS through comment by email.

In addition a draft of the LDS was sent out to all of those who were involved in the Preparatory Stage through the numerous mechanisms mentioned above, and provided contact details. This provided this wider stakeholder group with the opportunity to participate in the refinement and finalisation of the LDS before endorsement by the LAG.

4.3 Summary

Figure 4.3 below provides a summary overview of the community involvement processes and the level of community engagement facilitated through these various processes.

Figure 4.3: Community Involvement Summary

Activity	Engagements or conversations
Web based questionnaire	130
Events and drop-in sessions	156
Interviews	16
LAG Members	10
Total	312

5. Action Plan

5.1 Approach

ESIF investment through CLLD provides a major opportunity to address local regeneration issues through locally directed and targeted funding.

Importantly, the CLLD funds have to be:

- Small scale;
- Locally delivered;
- Easy to access; and
- Flexible.

These points are discussed below.

5.1.1 Small Scale

In the context of the ESIF allocation to County Durham as a whole, CLLD does not represent a major fund. However, when targeted on the communities within South Durham, they provide a significant opportunity to enhance local economic performance and contribute to the quality of life of those currently furthest from the labour market.

It also will play a major role in enhancing the capacity of local organisations, working with the AAPs and local Third Sector bodies to design and manage projects that may have the future capacity to be scaled up both in terms of beneficiaries and the areas that they can cover. In this respect, CLLD creates an important testbed for the development of local solutions to the challenges that communities face. The allocation of relatively small amounts of resources has the capacity to support transformational change in local communities.

5.1.2 Locally Delivered

The tight focus of CLLD will enable local organisations to be supported to deliver and expand their activities, with, for example, community owned venues being able to create revenue streams through the provision of workspace that will also contribute to employment in the locality.

It is clearly understood that there are a range of other initiatives, such as BBO and DurhamWorks, and the Better off in Business ERDF project that have some similar aims to those of CLLD. However, a major priority for CLLD will be to encourage the development of local delivery capacity at an appropriate scale to enable micro targeting and individually tailored initiatives. At this level, CLLD can provide a differentiated product that adds to the overall ESIF offer.

In addition, the major investment currently happening and planned in Bishop Auckland provides an opportunity to ensure that any benefits that arise are shared by the communities in the most deprived areas, through targeted initiatives that help to get people back into the labour market. Other smaller local initiatives, such as Festival Walk in Spennymoor, also provide opportunities that could lead to better local employment linkages.

5.1.3 Easy to Access

It is a fact that mainstream ESIF requires a level of understanding, expertise and capacity that can exclude smaller, locally-based organisations. A specific strength of CLLD is that, while it does not compromise ESIF Regulations, it has a local application process, managed through the LAG, which has strong local roots and understanding. This, linked with CLLD's animation role which is complimentary to AAP activities, will assist further in strengthening local delivery organisations.

5.1.4 Flexible

CLLD is designed as a five year programme, subject to any subsequent change arising from the consequences of moves to leave the EU. While the LDS clearly targets areas for action, it is not unduly prescriptive, and is sufficiently flexible to adapt to local conditions and need. An important component of this flexibility will be the availability of the Prototyping Fund, which will enable market testing and prototyping of approaches at local level.

With this flexibility in mind, the LAG will keep the LDS priorities under review, learning from the experience of the programme as it develops, and applying the lessons learned both at local, and wider CLLD experience in the NELEP area.

5.2 Investment Priorities

Section 3 set out the rationale underpinning the LDS, focusing on people, place and business. The five **investment priorities** that will enable this are:

1. Sustainable communities
2. Enhancing economic inclusion
3. Stimulating entrepreneurialism
4. Enterprising spaces
5. Developing growth and enterprise

5.2.1 Sustainable Communities

The underpinning rationale of CLLD is that bottom up regeneration can be more lasting and effective than top down approaches. This requires the targeting and linkage of resources so that, for example, investment under the other LDS priorities will operate in an integrated manner, for example through supporting employment and training opportunities within local developments.

The Prototyping Fund will also fall under this priority, with a role of encouraging local groups to come forward with proposals for testing, before moving forward to a full application, either to CLLD resources, or other funders.

5.2.2 Enhancing Economic Inclusion

This priority will have the largest single budget, focused on those furthest from the labour market. The types of activity envisaged will include:

- Pre vocational training;
- Wellbeing support;

- Collaborative activities, supporting people into work;
- Income maximisation (e.g. money and budgeting advice; planning for work); and
- Bringing employability support to where it is most needed, for example in community organisations, food banks, etc.

5.2.3 Stimulating Entrepreneurialism

The relative lack of an entrepreneurial culture, and specifically the under-representation of women among the self-employed was a significant issue noted in the consultation process. This priority is therefore focused on work with individuals and organisations that need support to be enterprise ready. This will include:

- Working with appropriate individuals before going forward to an NEA proposal;
- Promotional work with organisations to encourage participants to consider self-employment, for example in childcare groups; and
- Targeting under-represented groups.

5.2.4 Enterprising Spaces

A small part of ERDF funding has been allocated to bring underutilised assets into use as business space, for example in community facilities. An important consideration here will be the type of facilities, which should not be restricted to office space, but should also include small workspace activities. The output target for this activity has been set at an unambitious level, and will be reviewed by the LAG in the light of experience.

5.2.5 Developing Growth and Enterprise

Local micro and small businesses can play an important part in providing opportunities in deprived areas. This priority will therefore focus on providing appropriate support to existing businesses, including social enterprises, to help them to:

- Plan their business effectively;
- Investigate new markets;
- Network and intertrade with other local businesses; and
- Purchase small items of capital equipment that will contribute to productivity.

It will be important that this support is complementary to existing programmes and proposals, such as the North East Business Support Fund operated by NBSL. The focus will therefore be on helping very small businesses to adapt to a changing economy. In contrast to the Output target for Enterprising Spaces, the employment target for this priority will be challenging, and will be kept under review by the LAG.

It is important that the complementarity of CLLD to other local interventions is clearly understood, especially in the context of other ESIF interventions. The linkages between the Priorities and other funding are summarised in **Figure 5.3** over. The CLLD funds will therefore be used in a way that is complementary to these sources, and the LAG will consider the appropriate use of resources in this light.

Figure 5.3 Linkages

Priority Areas	Funding Linkages
Enhancing economic inclusion	DurhamWorks BBO ESF Access to Employment theme ESF Social Inclusion theme Talent Match NE Mental Health Trailblazer Troubled Families Programme Community Grants delivered through NECA (SFA contract)
Stimulating entrepreneurialism	ESF Social Inclusion theme BBO Prince's Trust NEBSF NEEAL Enterprise Support in the North East
Sustainable communities	ESF Social Inclusion theme Big Local
Enterprising spaces	ERDF SME Enterprise theme NEA
Developing growth and enterprise	ERDF SME Enterprise theme ERDF Innovation theme NEBSF NEA NEEAL Enterprise Support in the North East

The investment priorities link to the objectives of the programme as summarised in **Figure 5.2**.

Figure 5.2: Investment Priorities



These interventions will take place at different scale from mainstream ESIF, but linked together form a powerful tool for the community to be able to engage in the development process. The priority themes, and the activities that they will support, are summarised in **Figure 5.3**, over.

Figure 5.3: Activities & ESI Funds

Priority Areas	Focus	Activities	ESIF	Amounts
Enhancing economic inclusion	Supporting those experiencing multiple disadvantage in the labour market	Training Wellbeing interventions Income maximisation	ESF	£611,464
Stimulating entrepreneurialism	Promotion of self-employment Enterprising culture	Working with individuals and communities to promote enterprise	ERDF	£379,629
Sustainable communities	Local development Prototyping	Investment linkages	ESF	£53,171
		Testing and prototyping	ERDF	£16,998
Enterprising spaces	Business space	Conversion and development of underutilised assets	ERDF	£169,983
Developing growth and enterprise	Business and employment	Business grants Information, advice and guidance Networking support	ERDF	£566,611
TOTAL				£1,797,856

The outputs and results by priority are summarised in the **Part 1 Summary** over.

CLLD Action Plan Part 1: Summary

Types of Activity	Total Expenditure	ESIF Funding			ESIF Outputs			
		ESF (a)	ERDF (b)	Total (a+b)	ESF		ERDF	
					Ref	Total	Ref	Total
Enhancing economic inclusion	£1,019,106	£611,464		£611,464	01	847	-	-
					CO03	219	-	-
					CO01	592	-	-
					04	143	-	-
					CO16	224	-	-
					05	27	-	-
Stimulating entrepreneurialism	£542,327		£379,629	£379,629	-	-	P11	90
					-	-	C5	26
Sustainable communities	£112,901	£53,171	£16,998	£70,169	01	43	-	-
					CO03	24	-	-
					CO01	66	-	-
					04	16	-	-
					CO16	25	-	-
					05	3	-	-
Enterprising spaces	£242,833		£169,983	£169,983	-	-	P11	15
Developing growth and enterprise	£809,444		£566,611	£566,611	-	-	P12	90m ²
					-	-	C8	28
					-	-	C1	37
TOTAL	£2,726,612	£664,635	£1,133,222	£1,797,856				

CLLD Action Plan Part 2: ESIF Outputs (all falling into Transitional Region)

ESF Outputs and Results	Number to be delivered in						
	2017	2018	2019	2020	2021	2022	Total
Output							
Number of participants	120	190	190	190	190	61	941
Participants that are unemployed including long-term unemployed	84	133	133	133	133	43	657
Participants that are inactive	31	49	49	49	49	16	244
Participants that are aged over 50	20	32	32	32	32	10	159
Participants that are from ethnic minorities	4	6	6	6	6	2	30
Participants that have disabilities	32	50	50	50	50	16	249
Results							
Participants in education or training on leaving	15	25	40	40	40	19	179
Unemployed participants in employment, including self-employment on leaving	10	25	35	35	35	10	150
Inactive participants into employment or job search on leaving	9	14	14	14	14	5	71

ERDF Outputs		Number to be delivered in						
		2017	2018	2019	2020	2021	2022	Total
C1	Number of enterprises receiving support	5	7	7	7	7	2	37
C5	Number of new enterprises receiving support	3	5	5	5	5	2	26
C8	Employment increase in supported enterprises	0	4	5	7	8	4	28
P11	Number of potential entrepreneurs assisted to be enterprise ready	13	21	21	21	21	7	105
P12	Square metres public or commercial building built or renovated in target areas	0	30	30	30	0	0	90

CLLD Action Plan Part 3: Financial Summary (all Transitional Region)

Expenditure	2017	2018	2019	2020	2021	2022	Total
	(£,000s)	(£,000s)	(£,000s)	(£,000s)	(£,000s)	(£,000s)	(£,000s)
(a) LAG Management & Administration	£77,231	£102,978	£102,975	£102,976	£102,976	£102,972	£592,108
(b) LDS Project Expenditure	£272,661	£545,322	£545,322	£545,322	£545,322	£272,661	£2,726,612
Total LDS Expenditure	£349,892	£648,300	£648,297	£648,298	£648,298	£375,633	£3,318,720
Funding							
(a) ESF	£112,802	£194,714	£194,712	£194,713	£194,713	£128,247	£1,019,899
(b) ERDF	£113,322	£226,644	£226,644	£226,644	£226,644	£113,322	£1,133,222
(c) ESIF Total	£226,124	£421,358	£421,356	£421,357	£421,357	£241,569	£2,153,121
(d) Public Sector Funding	£107,694	£195,206	£195,205	£195,205	£195,205	£117,784	£1,006,301
(e) Private Sector Funding	£16,074	£31,736	£31,736	£31,736	£31,736	£16,280	£159,299
(f) Total match funding	£123,768	£226,942	£226,941	£226,942	£226,942	£134,064	£1,165,599
Funding Total	£331,872	£331,872	£663,744	£663,744	£663,744	£663,744	£3,318,720

6. Management, Monitoring and Evaluation

6.1 Local Action Group Summary

The LAG will be a non-constituted partnership. Its current membership is provided in **Figure 6.1**, below.

Figure 6.1: LAG Membership

Constituency	Name	Organisation	Experience
Private sector	Vicky Miller	livin Housing	Community regeneration, community engagement and involvement, working with disadvantaged groups and communities
Private sector	Steven Robson	South Durham Enterprise Agency	Business and enterprise support, working with disadvantaged groups and communities
Private sector	Debra Ann Swinburn	Evans & Co Solicitors	Compliance, community involvement and engagement
Private sector	<i>Position Vacant (see below)</i>		
Voluntary and community sector (VCS)	Ken Houlahan	Fusion 21 South West Durham Sport CIC	Community engagement and involvement, working with disadvantaged groups and communities
Community representative	Ian Machin	Resident	Community involvement and engagement
Public sector	Linda Bailey	Durham County Council, DurhamWorks	Employability, young people, working with disadvantaged groups and communities
Public sector	Ian Hornsby	Dale & Valley Homes	Community regeneration, community engagement and involvement, working with disadvantaged groups and communities
Public sector	Jenny Kitching / Cherakee Bradley	National Careers Service	Employability, working with disadvantaged groups and communities
Public sector	Elain Laurie	Bishop Auckland College	Employability, training and education, working with disadvantaged groups and communities
Public sector	Patricia Ann Pemberton	Durham County Council, Councillor	Regeneration and economic development, community engagement and involvement, working with disadvantaged groups and communities

In addition to the LAG members above, Durham County Council has three observer places on the LAG. These are for the AAP Principal Co-ordinator, CLLD Co-ordinator and the Funding and Programmes Team (to represent the Accountable Body).

An open recruitment exercise for the LAG resulted in a higher proportion of public sector representatives than allowable, taking the proportion above 49%. In order to manage this, applications from two of the public sector representatives have been deferred (and are not included in the list above) in order to have a compliant LAG identified for this LDS.

When established the LAG had 11 members of which 5 represented the public sector. However, due to unforeseen circumstances there are now only 10 members taking public sector representation to 50% until a replacement private or VCS sector member is recruited.

Therefore, in the event that this LDS is approved, the LAG will undertake an additional recruitment exercise to increase the numbers of LAG members, plug any gaps in other areas of representation, and therefore allow the additional deferred public sector representatives to be part of the formal LAG. Until this happens, these representatives will continue to be part of the wider LAG Forum group.

The overarching role of LAG members is to be responsible for overseeing the delivery of the LDS in partnership with Durham County Council. The full range of roles and responsibilities are outlined in the attached Roles and Responsibilities document (**Annex A**).

The LAG will make decisions on applications presented to the LAG, following a Technical Appraisal and scoring process. Calls for projects will reflect the priorities for funding at each given time, and where there is insufficient budget available to fund all priority projects, a published scoring system will be used, with those scoring the highest being approved. This scoring system will also use weighting to ensure that the highest priorities of the LAG are reflected.

A register of interests will be kept, and maintained through the delivery of the LDS. At the start of every meeting declarations of interest and conflicts of interests will be recorded. Members of the LAG with conflicts of interest will be expected to leave the meeting when items are discussed and decisions made. Those with a declaration of interest will be allowed to be part of the discussion, but not part of the decision making process. The Code of Conduct and Conflicts of Interest Policy is attached at **Annex B**.

The balance of the LAG when making decisions will be closely monitored to ensure that the public sector members or any single interest group does not have more than 49% of the voting rights during decision-making and that at least 50% of the votes in project selection decisions will come from the non-public sector partners. Using the register of interests log, any potential issues regarding non-compliance with the decision making process can be identified in advance, and if required, meetings can be re-arranged to ensure the correct representation. In the event that the correct representation is not available, or not identified in advance, the Terms of Reference allow for virtual approval to supplement the decision making process at the LAG meeting. (See attached **Annex C** for the Terms of Reference)

In addition to the formal decision making LAG, the CLLD areas will seek to engage a wider audience through a wider LAG Forum network. This Forum will support dissemination of CLLD information from the LAG.

6.2 The Accountable Body

Durham County Council has given in-principle approval to be the Accountable Body for the South Durham CLLD LAG.

Durham County Council has extensive experience in managing European-funded projects and Programmes, including being the Accountable Body for two LEADER LAGs since the 2007-2013 Programme, and the Accountable Body for one of those LEADER LAGs since the early 1990s. DCC therefore has the appropriate systems, staffing experience and capability to be the Accountable Body for the South Durham CLLD LAG. As a large Local Authority, DCC has the ability to cash flow the funding, a key requirement of an Accountable Body, which few other organisations would be able to do.

The AAPs will provide expertise in terms of project management and animation and the CLLD process can use existing AAP networks as a solid first step in engaging partners. AAPs help deliver high quality community led services and since their inception in 2007 have directly developed 3,685 local projects through their Area Budget and Neighbourhood Budget funding pots with a spend package of £75,407,999. An earlier LGA Peer Review noted that "AAPs have moved rapidly from "idea" to "implementation" with a strong focus on action and proportionate partnerships. They have an impressive record of action" so that experience and support can be directed into the CLLD programme.

Confirmation of the in-principle approval is included at **Annex D** – extract from the minutes of the Cabinet Meeting of the 13th July 2016, together with the Cabinet Report.

6.3 Project development and selection

6.3.1 Project Development

A South Durham CLLD Co-ordinator will be employed to animate, facilitate and encourage active involvement of Local Action Group members in the LAG area. They will assist projects and LAG members with project development, generate project ideas and assist with the completion of funding applications. They will provide advice and guidance on compliance with ESIF rules, alignment with the CLLD LDS and they will organise regular Local Action Group meetings. They will also organise appropriate training and support for Local Action Group members.

6.3.2 Project Applications

Invitations for projects to apply will be managed through a series of rolling calls for projects, with regular review points, and specific calls to address specific gaps in the delivery of the LDS. These calls will be promoted through a variety of different means, but principally through the wider Forum membership, dedicated CLLD webpages and through the AAP networks. The management of project calls will ensure that they are open so that any organisation can apply; the assessment of applications will be fairly applied to all applicants; will be efficient and timely, and calls will be clear on how decisions are made and by whom.

Calls will clearly show how projects will be assessed and scored, and will outline the business process. This will entail a brief Expression of Interest form followed by submission of a Full Application. The EOIs will be presented to the LAG and feedback given. If endorsed, the applicant will then complete a Full Application, which will be as streamlined as possible, to ensure all relevant information is provided, but without being overly burdensome for the applicant.

The applications will be assessed by the CLLD Project Appraisal officer, who will ensure that the projects are eligible, deliverable and deliver value for money. They will be scored in line with the published scoring criteria, and presented to the LAG for approval, or otherwise.

The LAG will consider the assessment and will either endorse the project, endorse the project with conditions, or reject the project. Full feedback will be provided to the applicant in any event. The LAG will make their decisions based on consensus, if this is not possible, a vote will be undertaken. The Chair will have the casting vote in the event that a vote is tied.

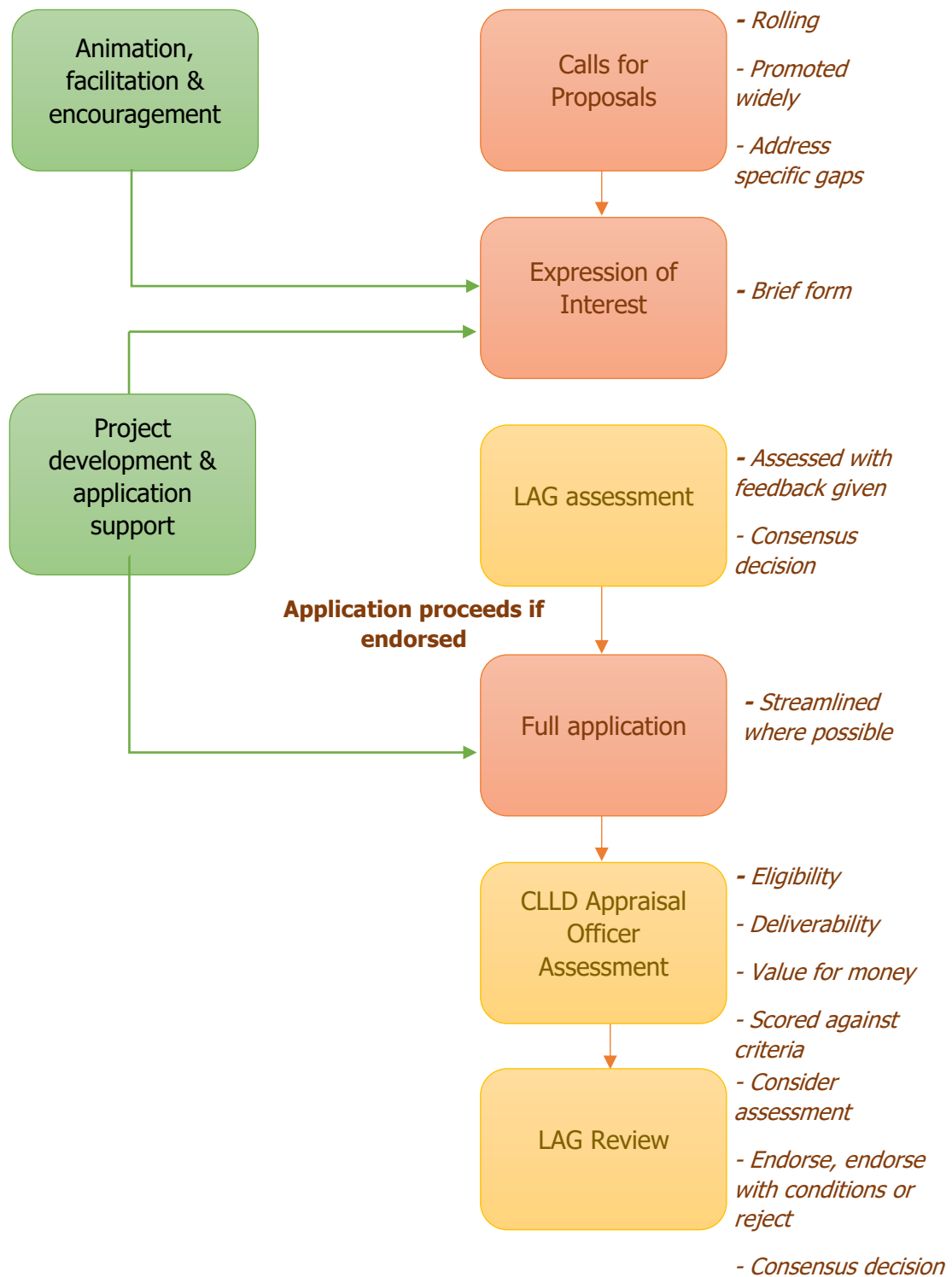
Usually, decisions will be taken by the LAG at pre-arranged LAG meetings. In the event of a decision needing to be made outside of the planned meetings, the ToR for the LAG will allow virtual decisions to be made. Responses will be required from LAG members to ensure that the decision making has been in line with requirements, and that the decision has been made within the context of the LAG being quorate. A minimum of 51% of voting members need to be present (or respond virtually) to provide the required quorum, and no more than 49% of those members will be from the public sector. The decisions will be clearly recorded, either through the minutes of the LAG meetings, which will be signed off by the Chair, or in the event of a virtual decision, all emails will be kept on file, with a clear summary of the responses being collated. The decision will then be communicated to the LAG at the next scheduled meeting.

Figure 6.2 below provides an overview of the application and selection process

Figure 6.2: Application and Selection Process

Support & Development

Application & Assessment



6.3 Monitoring and Evaluation

Performance indicators that will be used are shown in **Figure 6.3** below. ESF and ERDF output and results measures allocated to the CLLD programme will provide the core performance indicators. However, robust monitoring and evaluation will require consideration of a wider range of factors, including outcome and impact related indicators referred to within the Logic Frameworks outlined in **Section 3** of this LDS and process related issues which could impact on the effectiveness of the LAG and the CLLD programme.

Figure 6.3: Performance Indicators

Performance Indicators	Source	Frequency
ESF and ERDF Outputs and Results	Funded projects – claims returns	Quarterly
Input and activity measures, such as grants made, match funding, services delivered	Programme management information and project claims returns	Quarterly
Impact measures including economic impact (of jobs created and business growth) and social return on investment (SROI) such as the savings secured through progression of supported individuals into employment or education or training	Supported projects and beneficiaries of delivered projects. Information to be modelled using robust multipliers to demonstrate economic impact and SROI	Mid-term and Final Evaluation
Programme effectiveness, in terms of the LAG and application and assessment processes	LAG members, applicants (both successful and unsuccessful) and Accountable Body staff	Mid-term and Final Evaluation
Achievement of strategic objectives	All project monitoring and evaluation data and key stakeholder consultation	Annually

Primary performance indicator information for monitoring the LDS will come from projects' claims. The information will be therefore collected from projects, verified to ensure they have been achieved, and collated into a Programme Management information system. This data will be collected regularly, at a minimum this will be every quarter. This will then be reported to the LAG so that they can ensure progress towards meeting the LDS Objectives.

Self-evaluation of the LAG will be an on-going activity, this will be particularly important in the early stages of the LAG developing and delivering, and will be facilitated by the CLLD Co-ordinator. The results of this will be shared with the LAG and the wider LAG Forum. The self-evaluation will be complemented by a mid-term peer evaluation and end of Programme summative assessment. The findings from the mid-term evaluation will be shared with the LAG and wider LAG Forum through a report, and this report will shape any revisions that may be required to the LDS. The Final Programme summative assessment will be shared more widely, including other CLLD LAGs in the NELEP area, and the LEADER Programmes.

A budget of £19,380 has been allocated to the mid-term evaluation and final Programme Summative Assessment.

6.5 Communications and Publicity

We will ensure that ESIF publicity requirements are followed, including use of the correct logo, references in press releases, and on all communications associated with the project.

All publicity materials issued by the project will clearly acknowledge ESIF support, using the appropriate logo and wording. All documentation prepared by the project, such as LAG application forms, hand-outs, leaflets, tender documents will display the appropriate logo, as will any information published on web-sites. An A3 poster will also be displayed at all Durham County Council locations where CLLD staff are based.

Good networks and relationships are already established with partners that have their own wide-reaching publicity mechanisms and we will use these and the AAPs networks to publicise as far as possible the CLLD proposals. We will ensure that regular and continued publicity is an essential part of the programme utilising existing networks and by creating new, appropriate ones. In a one month period, AAPs held events that attracted over 10,000 people to take part in consultation and decision making and we have access to a network of over 13,000 public forum members which is a fantastic starting point to communicate the opportunities and existence of CLLD in the areas. A wider forum network has already been established from interested people and attendees in the CLLD LAGs and it is intended that this network will be kept up to date and added to as time progresses.

Each AAP produces their own e-bulletins on a monthly/bi-monthly basis which goes to their forum members/boards/partners. Regular promotional slots will be provided to CLLD in the relevant AAP areas.

AAP co-ordinators have direct links with DCC's Press and PR section and also has a named contact in the local, regional press so relationships between AAPs and press are strong and will be used to develop relationships for CLLD also.

Each AAP has their own Facebook page and website link from the main DCC site. The Facebook pages are a fantastic way to reach wider sections of the community and it is envisaged that a specific CLLD page will be developed for South Durham CLLD.

CLLDs will also provide update information to their relevant AAPs at their monthly/bi-monthly board meetings and may have space at the AAP winter forums (some of which, when operating participatory budgeting events for example, can attract over 1,300 people for a 4 hour event).

6.6 Training and Development

Figure 6.1 above provides an overview of the extensive experience within the LAG with members providing a wealth of local knowledge and expertise that will shape and assist in the successful delivery of CLLD in South Durham. In particular the LAG brings extensive well established links and relationships within and across all geographic and demographic communities as well as extensive experience of working with the groups and communities

that are the target beneficiaries of this LDS. In particular it brings representatives with a strong understanding and track record in working in target communities, employment and employability support, and business support and enterprise. LAG members were appointed through an open recruitment process with the intelligence gathered during this process used to deliver a training needs analysis to ensure that all members are provided with the support they require to play a full and effective role in the LAG. While some LAG members have a track record of delivering ESF and/or ERDF funded activities, an assessment has identified LAG members' knowledge and understanding of ESIF regulations, and the requirements, constraints and opportunities of ESF and ERDF as the key overall training needs to be addressed. Guidance will be issued to LAG members to address these needs.

Ongoing training and development needs will be assessed through self-evaluation and external evaluation processes. In addition LAG members will work closely with Durham's two LEADER LAGs (both of which border the South Durham CLLD area) and other CLLD LAGs in the North East and beyond to develop peer learning and exchange networks to ensure ongoing knowledge transfer and best practice exchange.

7. Financial Plan

7.1 Targeting

All of the South Durham CLLD area is a Transitional Region. The resources will be focused on beneficiaries within the 20% most deprived areas in England falling within its boundary, which make up 53% of the CLLD area population. The LAG will plan to expend 75% of available ESIF resources on this group. Where expenditure is made on beneficiaries outside these areas, in the adjacent LSOAs, the following criteria will be used:

- Special consideration will be given to beneficiaries outside the area fall into the specific target groups of:
 - Over 50s;
 - People with disabilities; and
- Where businesses are supported in the adjacent LSOAs, evidence will be sought that employment and training opportunities are directed towards the target areas and groups.

7.2 Management and Administration

The projected total budget to be committed to Management and Administration over the project life is £592,108. This includes salary costs and overheads for staff members who will be employed by the Accountable Body, Durham County Council, with the roles of:

- CLLD Co-ordinator ;
- Administrative support;
- Appraisal Officer; and
- Finance Officer.

It also includes a budget for a summative assessment.

The amount allocated to Management and Administration represents **25%** of the committed public sector contribution, on the basis of the minimum Durham County Council commitment of £236,843 to match an **ESF** contribution of **£355,265** to be used for this purpose. When projected public sector match funding is factored in the amount allocated to management and administration represents **19%** of total public sector contribution.

7.3 Project Budget

The total CLLD budget for 2017-2022, including match, is projected to be **£3.3m**. The project budget (not including Management and Administration) for the duration of the programme is summarised in **Figure 7.1** over.

Figure 7.2 Project Budget (excluding M&A)

Priority Action	ESF	%ESF	ERDF	%ERDF	Total ESIF	Match	Total	Total %
Enhancing Economic Inclusion	£611,464	92% (60% when M&A incl.)	-	-	£611,464	£407,643	£1,019,106	37%
Stimulating Entrepreneurialism	-	-	£379,629	34%	£379,629	£162,698	£542,327	20%
Sustainable Communities	£53,171	8% (5% when M&A incl.)	£16,998	2%	£70,169	£42,732	£112,901	4%
Enterprising Spaces	-	-	£169,983	15%	£169,983	£72,850	£242,833	9%
Developing Growth and Enterprise	-	-	£566,611	50%	£566,611	£242,833	£809,444	30%
TOTAL	£664,635	100%	£1,133,222	100%	£1,797,856	£928,756	£2,726,612	100%

* - Excludes M&A ESF contribution

The indicative allocation by year is summarised in the **Financial Summary for the Action Plan Part 3** (Page 56).

The following assumptions have been made in making the financial projections:

- Spend is spread as follows:
 - 10% 2017;
 - 20% each year 2018-2021;
 - 10% 2022;
- Enterprising Spaces spend takes place 2018-2020;
- Private and public sector match has been estimated at this stage based on expected activities. £229,256 has been indicatively allocated so far, from Durham County Council towards Management and Administration costs. The position with match funding will be reviewed on an ongoing basis, with a view to establishing some linked funds, specifically for the Prototyping Fund.

ANNEX A: LAG member roles & Responsibilities

ANNEX B: Conflicts of Interest

ANNEX C: LAG ToR

ANNEX D: Durham County Council agreement in principle to act as Accountable Body

Annex A – LAG Member Roles and Responsibilities

Community Led Local Development (CLLD) is a new way of packaging two of the European Structural and Investment Funds (ESIF), European Social Fund (ESF) and European Regional Development Fund (ERDF), using a bottom-up approach.

While focused on community needs, it has to take into account the many regulations and priorities that govern these 2 funds, and focus on ERDF Investment Priority 9d and ESF Investment Priority 1.5.

The Local development Strategies (LDSs) will therefore have to show clearly how they contribute towards these Axes as well as meeting locally defined development needs. Examples could include:

ERDF:

- Addressing information failures that restrict small and medium enterprises (SMEs – including social enterprises) competitiveness and formation;
- Poor quality local infrastructure that is inadequate for market needs;
- Lack of amenities and social capital hindering start-ups;
- Poor linkages between areas of deprivation and areas of high economic growth.

ESF:

- Addressing barriers to labour market participation, such as: caring; drug and alcohol dependency; parenting and relationship problems; health; offending; and other issues.

It is essential that CLLD activities are complementary to other activities, including: the Big Lottery opt-in; the Open Calls informed by the North East Local Enterprise Partnership Area ESIF Sub Committee; and the Youth Employment Initiative. CLLD is intended to support smaller scale activities and pilots that have the potential to inform mainstream funds.

The roles and responsibility of LAG members for 2016 to 2022 are identified as follows:

- Set the vision and strategic direction of the Local Action Group (LAG);
- Encourage projects which deliver the priorities identified in the LDS;
- Implement and review the LDS by continual monitoring;
- Represent the LAG at meetings and feedback to staff and other LAG members;
- Members need to have an active interest in the South Durham CLLD area;
- You must have a willingness to develop and share your knowledge of economic growth and labour market participation;
- We expect you to utilise your networks, including other LAGS and stakeholders, to actively promote the CLLD approach;
- Support with building the capacity of the LAG membership;
- Support the creation of a pipeline of outline projects;

- Identify and work with future projects using the following responsibilities:
 - Commit to attending LAG meetings and training sessions
 - Comply with confidentiality and code of conduct
 - Encourage a local, bottom-up approach
 - Review applications for funding for CLLD projects
 - Develop and apply project selection criteria
 - Provide comment and advice on projects
 - Discuss with other LAG members the strategic fit of projects with the LDS
 - Ensure lessons learnt from projects are widely shared
 - Decide on the level of funds to be applied to projects

The LAG will be responsible for overseeing the delivery of the LDS in partnership with Durham County Council.

It should be noted that the LDS Stage is still competitive, and CLLD will only come into effect if approved by the Department for Work & Pensions (for ESF) and the Department for Communities and Local Government (for (ERDF)) in early 2017.

The first stage responsibilities for the LAG from July - August 2016 will be to discuss and steer the first draft of the LDS and endorse once complete. The LDS will be Durham County Council's submission for 2nd stage of CLLD funding at the end of August 2016 and if approved would see CLLD related activity in the area from 2017 – 2022.

Annex B: Code of Conduct, including Conflict of Interest Policy

Background

Dealing with Conflicts of Interest in the CLLD Programme

Durham County Council as Accountable Body must ensure that the operation of the CLLD programme is not affected by any conflicts of interest. We have devised and need to implement a written **Conflict of Interest Policy** setting out our approach to dealing with any potential conflicts of interest that may arise in the course of the CLLD programme.

A conflict of interest arises when an individual's other interests could give rise to real or perceived bias in relation to a decision they are asked to take on the CLLD programme.

Conflicts of interest exist when either:

- A. There is a potential financial or measurable benefit either directly to the individual, or indirectly through a connected individual or organisation; or
- B. A person's duty to the LAG may compete with a duty or loyalty they owe to another organisation or person.

Conflicts of interest can arise at any stage in the life-cycle of an application or project, not simply in the decision to award public funds. Durham County Council must ensure that the risk of conflicts of interest is addressed at all stages, including:

- Assessing an application for eligibility for programme funds
- Approving a project application
- Supporting or sponsoring a project through the application process
- Appraising a project application
- Making a decision on an application, whether or not grant is awarded
- Recommending payment of a project claim
- Authorising payment of a project claim
- Agreeing any variations to an approved project
- Conducting project inspections, and
- Quality controlling, quality assuring or monitoring checks on any of the above functions

It is the responsibility of Durham County Council as Accountable Body to ensure that anyone involved in the programme is fully conversant with the Conflict of Interest Policy and understands their role and responsibilities in putting it into practice.

The Conflict of Interest Policy may have to seek approval from the Department for Work & Pensions (for ESF) and the Department for Communities and Local Government (for ERDF) along with any subsequent changes.

Durham County Council needs to maintain a Register of Interests, which must be updated whenever a new interest is identified and reviewed annually. This register must be submitted to DWP and DCLG with our first Delivery Plan, and the current updated version should accompany each subsequent Annual Report and Delivery Plan.

Durham County Council needs to ensure that each and every conflict of interest, and the actions taken to deal with them, are recorded in detail. This will include

- On forms and checklists, and on any relevant electronic management system.
- In the minutes of meetings
- On project files

The Conflict of Interest Policy

Durham County Council has determined the exact format and wording of our Conflict of Interest Policy which is attached and included in the Code of Conduct document.

This document includes both a general Code of Conduct (clauses 3-6) and a specific code relating to potential Conflicts of Interest (clauses 7-10)

Clause 1 sets out that the code applies to LAG members, employees and volunteer appraisers; and clause 2 that it applies to any activity connected with the operation of the programme, and not solely to meetings.

South Durham CLLD Local Action Group

CODE OF CONDUCT INCLUDING CONFLICT OF INTEREST POLICY

Part 1

General provisions

Introduction and interpretation

1.—(1) This Code applies to **you** as a member of the Local Action Group, appraiser or employee of the Accountable Body (AB).

(2) You should read this Code together with the general principles annexed hereto.

(3) It is your responsibility to comply with the provisions of this Code.

(4) In this Code—

“meeting” means any meeting of—

- (a) the LAG;
- (b) any of the LAG’s committees or sub-committees, joint committees or joint sub-committees;
- (c) “member” includes a co-opted member and an appointed member of the Management Team.
- (d) “Appraiser” is anyone who has been approved and agreed to act in such post whether already a member of the Management Team or independent of such;
- (e) “Employee” is any person in the direct employ of the AB or providing services for the AB.

Any complaint received by the Management Team in writing stating that there has been a breach of this Code will be dealt with in accordance with the AB Complaints procedure

Scope

2.—(1) Subject to sub-paragraphs (2) to (5), you must comply with this Code whenever you—

- (a) conduct the business of or consider a project for the LAG or
- (b) act, claim to act or give the impression you are acting as a representative of the LAG,

and references to your official capacity are construed accordingly.

(2) Subject to sub-paragraphs (3) and (4), this Code does not have effect in relation to your conduct other than where it is in your official capacity.

(3) In addition to having effect in relation to conduct in your official capacity, paragraphs 3(2)(c), 5 and 6(a) also have effect, at any other time, where that conduct constitutes a criminal offence for which you have been convicted.

(4) Conduct to which this Code applies (whether that is conduct in your official capacity or conduct mentioned in sub-paragraph (3)) includes a criminal offence for which you are convicted (including an offence you committed before the date you took office, but for which you are convicted after that date).

(5) Where you act as a representative of the LAG on any other body, you must, when acting for that other body, comply with the LAG’s code of conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject or a more stringent code.

(6) It is however important that funding applicants receive structured, fair and consistent feedback on their projects. Thus all communications with the project applicant will be directed through the LAG ‘staff’ Team and Appraiser names will not be divulged, unless otherwise agreed.

General obligations

3.—(1) You must treat others with respect.

(2) You must not—

(a) do anything which may cause the LAG to breach any of the equality enactments (as defined in Equality Act 2010);

(b) intimidate or attempt to intimidate any person who is or is likely to be—

(i) a complainant,

(ii) a witness, or

(iii) involved in the administration of any investigation or proceedings, in relation to an allegation that a member (including yourself) has failed to comply with LAG's code of conduct; or

(c) do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, the LAG.

4. You must not—

(a) disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, except where—

(i) you have the consent of a person authorised to give it;

you are required by law to do so;

(ii) the disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person; or

(iii) the disclosure is—

(aa) reasonable and in the public interest; and

(bb) made in good faith and in compliance with the reasonable requirements of the LAG; or

(b) prevent another person from gaining access to information to which that person is entitled by law.

5. You must not conduct yourself in a manner which could reasonably be regarded as bringing you and/or the LAG into disrepute.

6. You—

(a) must not use or attempt to use your position as a member improperly to confer on or secure for yourself or any other person, an advantage or disadvantage; and

- (6) must, when using or authorising the use by others of the resources of the South Durham CLLD LAG ensure that such resources are not used improperly for political purposes (including party political purposes).

Part 2

Conflict of Interests

Personal interests

7.—(1) You have a personal interest in any project or business to be considered by the LAG where either—

(a) it relates to or is likely to affect—

- (i) any body of which you are a member or in a position of general control or management and to which you are appointed or nominated;
- (ii) any employment or business carried on by you;
- (iii) any person or body who employs or has appointed you;
- (iv) any person or body, other than the LAG has made a payment to you in respect of your election or co-option or any expenses incurred by you in carrying out your duties;
- (v) any person or body who has a place of business or land in the LAG's area, and in whom you have a beneficial interest in a class of securities of that person or body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital (whichever is the lower);
- (vi) any contract for goods, services or works made between the LAG and you or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph (vi);
- (vii) the interests of any person from whom you have received a gift or hospitality with an estimated value of at least £500;
- (viii) any land in the LAG's area in which you have a beneficial interest;

(b) a decision in relation to that project or business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a relevant person to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of your the LAG's area.

(2) In sub-paragraph (1)(b), a relevant person is—

- (a) a member of your family or any person with whom you have a close association; or
- (b) any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
- (c) any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or

(d) any body of a type described in sub-paragraph (1)(a)(i) or (ii).

Disclosure of personal interests

8.— (1) Subject to sub-paragraphs (2) to (3), where you have a personal interest in any project or business of the LAG and you attend a meeting of the LAG at which the project or business is considered, you must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

(2) Where you have a personal interest in any project or business of the LAG which relates to or is likely to affect a person described in paragraph 7(1)(a)(i), you need only disclose to the meeting the existence and nature of that interest when you address the meeting on that project or business.

(3) Sub-paragraph (1) only applies where you are aware or ought reasonably to be aware of the existence of the personal interest.

Prejudicial interest generally

9.— (1) Subject to sub-paragraph (2), where you have a personal interest in any project or business of the LAG you also have a prejudicial interest in that project or business where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard it so significant, such as providing matched funding personally, or from your representative group or organisations, and is such that it is likely to prejudice your judgement of such interest.

(2) You do not have a prejudicial interest in any project or business of the LAG where that business—

(a) does not affect your financial position or the financial position of a person or body described in paragraph 7;

(b) does not relate to the determining of any approval, consent, licence, permission or registration in relation to you or any person or body described in paragraph 8.

Effect of prejudicial interests on participation

10.—(1) Subject to sub-paragraph (2), where you have a prejudicial interest in any business of the LAG—

(a) you must withdraw from the room where a meeting considering the project or business is being held—

(i) in a case where sub-paragraph (2) applies, immediately after making representations, answering questions or giving evidence;

(ii) in any other case, whenever it becomes apparent that the project or business is being considered at that meeting;

- unless you have obtained a dispensation from the Management Team; and
- (b) you must not seek improperly to influence a decision about that project or business.
- (2) Where you have a prejudicial interest in any project or business being considered by the LAG, you may be allowed to attend a meeting but only for the purpose of making representations, answering questions or giving evidence relating to the project or business,
- provided that others are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

Appraisers

- 11.—**(1) In line with the EU guidance for the CLLD Programme, where you have carried out a project appraisal, you must declare this at a meeting considering this project-
- (a) you may remain within the room or chamber where a meeting considering the project or business is being held
- (b) you must not vote on whether or not that project should be granted funding.

Annex - The Ten General Principles

The general principles governing your conduct:

Selflessness

- 1.** You should serve only the wider interest and should never improperly confer an advantage or disadvantage on any person.

Honesty and Integrity

- 2.** You should not place yourself in a situation where your honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.

Objectivity

- 3.** You should make decisions on merit, including when making appointments, awarding project contracts, or recommending individuals for such project rewards or benefits.

Accountability

- 4.** You should be accountable to the public for your actions and the manner in which you carry out such responsibilities, and should co-operate fully and honestly with any scrutiny appropriate.

Openness

- 5.** You should be as open as possible about your actions and those of South Durham CLLD LAG, and should be prepared to give reasons for those actions.

Personal Judgement

- 6.** You may take account of the views of others, including their political groups, but should reach your own conclusions on the issues before you and act in accordance with those conclusions.

Respect for Others

- 7.** You should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. You should respect the impartiality and integrity of the South Durham CLLD LAGs statutory officers, and its other employees.

Duty to Uphold the Law

- 8.** You should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in South Durham CLLD LAG.

Stewardship

- 9.** You should do whatever you are able to do to ensure that South Durham CLLD LAG use their resources prudently and in accordance with the law.

Leadership

- 10.** You should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.

I agree to abide by this Code of Conduct

Signed.....

Date.....

Name (in Caps).....

Organisation.....

Annex C: LAG Terms of Reference

Governance Arrangements - Terms of Reference

Background

Durham County Council as Accountable Body has put into place governance arrangements, and these are clearly documented and need to be agreed. They need to be signed and dated by an authorised representative of the Accountable Body and by the Chair of the LAG.

The governance documentation could be submitted for approval if required to the Department for Work & Pensions (for ESF) and the Department for Communities and Local Government (for ERDF) as could any subsequent changes.

DWP and DCLG Directorates will be able to check that adequate governance arrangements are in place at its Set-up Evaluation Check (if required), and will review that they are being followed at subsequent inspections.

The following areas are covered in the attached Terms of Reference:

- **The Roles and Responsibilities of the Accountable Body and the LAG, and of any sub-groups**
- **The composition of the LAG, and of any sub-groups**
- **How the LAG conducts its business, and in particular how decisions are taken**

South Durham CLLD Local Action Group

Terms of Reference – June 2016

The Local Action Group (South Durham CLLD) is the partnership responsible for the Local Development Strategy under the authority of the Accountable Body (Durham County Council). It has responsibility for the leadership, implementation, monitoring and review of the Local Development Strategy, and is responsible for taking all major decisions affecting its successful delivery, including decisions on the allocation of funding to projects to achieve the LDS objectives.

The LAG structure has two levels of membership:

- LAG Forum Members
- LAG Board

LAG Forum membership comprises of a wide range of community, voluntary, public and private sector representatives. This level of membership will act as a communication channel between communities and the LAG Board. An annual LAG Forum event will be held which will give members the opportunity to demonstrate the value of CLLD through the work supported and review delivery against the LDS.

LAG Board membership will allow representatives to be actively involved in being responsible for setting the strategic direction of the programme, monitoring activity against the LDS, managing the approval process of applications and procuring strategic projects.

The Accountable Body (DCC) is responsible for delivery of the programme on behalf of the LAG, holds itself responsible for successful conclusion of the programme, and undertakes to ensure that financial propriety and compliance is observed in its management and administration of the programme. The Accountable Body is also responsible for personnel, accountancy and administrative services to the LAG and the programme. It must carry out its responsibilities in accordance with the National Operations Manual.

Duties

The Accountable Body will:

- Enter into Funding Agreement with DWP and DCLG
- Review and adhere to necessary processes
- Ensure that as many sectors of the community as possible can contribute to the delivery of the LDS
- Provide advice and technical support to LAG on DWP and DCLG policies and processes, and in particular advise the LAG on issues of eligibility and compliance, including conflicts of interest

- Provide advice and support to project applicants to enable them to submit eligible applications for funding which meet the LDS priorities and objectives
- Process applications for funding, and undertake appraisals of them
- Ensure that projects selected for support
 - Meet eligibility criteria
 - Fit with the priorities of the LDS
 - Undergo a transparent and compliant application and selection process
- Enter into Grant Funding Agreements with approved projects, incorporating appropriate conditions in accordance with decisions made by the LAG
- Pay projects claims
- Manage projects' performance against their funding agreements
- Undertake project visits to verify progress and ensure compliance
- Process grant claims and present these to DWP and DCLG for authorisation and payment
- Maintain project and programme records to audit standards, and make these available for audit as required
- Prepare regular progress and financial reports to the LAG and DWP and DCLG
- Employ and manage LAG staff, and provide secretariat for meetings
- Incur eligible expenditure for Management and Administration, and submit quarterly claims in arrears

The Local Action Group Board will:

- Develop and agree the Local Development Strategy (LDS)
- Recruit a wide range of LAG members, reflecting the makeup of the area and the priorities of the LDS
- Conduct its business in a compliant manner, acting on the advice of the Accountable Body on legal and technical issues as necessary
- Promote bidding opportunities, with clear selection criteria, to all potential applicants in the LAG area
- Select and prioritise projects according to their contribution to the LDS objectives and targets
- Approve projects with funding levels, outputs, timescales and any conditions

- Monitor the implementation of the LDS, and review as necessary
- Make effective links with other key organisations within and outside the LAG area

LAG Board Membership

1. The LAG will comprise members of the public, private, community and voluntary sectors, ensuring that it represents a broad range of interests across the area. Membership should reflect both the area's geographical extent and its sectoral composition
2. Members must live in or work in the area of benefit. Organisations working across the area but located outside it may join the LAG and have a voting right
3. There must be more than 50% representation from the private/voluntary sector on the LAG, and on any decision-making group, and no single interest group or business sector shall exceed 50% of the LAG or any decision-making group
4. The number of voting members should not exceed 30
5. Expertise in the following areas should be represented by at least 1 member:
 - SME Competitiveness
 - Entrepreneurship
 - Innovation
 - Pathways to Integration and Access to the Labour Market
 - Reduced Social and Economic Isolation faced by Individuals and Communities
6. Members must identify whether they represent themselves, as individuals, or are representing an organisation. If representing an organisation, they may nominate one named substitute who may vote on their behalf
7. The LAG shall elect a Chairperson and Deputy at its first meeting. The Chairperson should preferably be from the private/community sector
8. Recruitment to the Panel will be primarily by open advertisement. Co-option of members is permitted to achieve geographical, sectoral or demographic balance in the membership
9. LAG members shall be appointed for two years. Thereafter, all members will be eligible to re-apply to the LAG, alongside an open recruitment process
10. Members engaged in activity related to their position on the LAG must conduct themselves appropriately and respectfully in relation to other LAG members, programme staff, applicants and members of the public. Inappropriate behaviour may result in exclusion from the LAG at the discretion of the Chairperson. All members will be required to sign the Code of Conduct at the beginning of their term

11. Relevant training and background information related to responsibilities associated with Local Action Group membership will be made available to any members requiring this
12. Regular attendance at meetings is required. Non-attendance for more than 3 consecutive meetings may result in loss of a place on the LAG, at the discretion of the Chairperson

Working Arrangements

1. The administrative arrangements for LAG meetings will be undertaken by the programme staff team from the Accountable Body with involvement from the Area Action Partnerships (AAPs)
2. The programme staff will circulate the agenda and papers at a minimum of seven days before each meeting, and will record decisions and issue minutes for approval at the next LAG meeting
3. The programme staff team will attend LAG Meetings to provide information and statements of progress. Information for meetings should be sufficiently detailed to allow informed decisions to be made. Information should include:
 - Details of projects to be approved/rejected/further clarification sought
 - Quarterly financial statement on overall spend on all projects and core cost spend
 - Quarterly statement on achievement of outputs, outcomes, targets, milestones
 - Notification of significant gaps in achievement of objectives, spend or outputs
 - Notification of significant problems on funded projects
4. Late business may be introduced by tabling papers with the approval of the staff team in conjunction with the Chair or Deputy Chair of the Board.
5. Board members who are directly involved or have a direct interest in any application submitted will declare an interest and take no part in the consideration of the application unless invited by the Chairperson to respond to questions pertaining to the application. If Board members represent an organisation which has an involvement in an application, but that organisation will not receive any financial benefit, representatives should declare an interest but can participate fully in the consideration (See also the Code of Conduct).

Meetings

1. Will be held at a minimum bi-monthly, unless cancelled by the staff team by giving 7 days notice
2. A calendar of meetings will be agreed each year for the next twelve months
3. Meetings will be rotated round the whole area and members will be encouraged to visit actual or proposed projects

4. Decisions will be by a majority of those present. The Chairperson or Deputy has a casting vote
5. The quorum for meetings will be 51% of voting members
6. Panel members may be entitled to receive travel expenses for public or private transport to attend LAG meetings and any other LAG business required of them. Reimbursement for travel expenses will follow DCC's policy on mileage and expenses. Members will be encouraged to car share and use sustainable transport

Decisions and Reporting

1. Views and decisions of the LAG will be recorded by the staff team and signed by the Chair at the beginning of the following meeting
2. The Board's recommendation as to whether an application should be approved, declined or deferred will be delivered through a show of hands to identify the majority view
3. Decision notice and offers of grant will be made by the Accountable Body, which will, where appropriate, have the ability to refer a matter, or elements thereof, back to the LAG for further consideration.
4. Information on successful Grant Awards will be reported through the LAG's webpages.
5. The Chair may, under below exceptional circumstances, circulate papers or proposals electronically to LAG members via the staff team for decision by written procedures, with a given deadline for comment. LAG members will be required to declare conflicted interests by e-mail. The staff team will collate the information and checking if the requirement for a quorum has been met. At the end of deadline, the Chair will confirm, via the staff team, if a decision has been made and met the requirement for a quorum, and conflicted interests received.

Exceptional circumstances are defined as follows

- Where a scheduled LAG meeting has to be cancelled due to lack of attendance or severe weather conditions
- Where the required mix of representation of LAG members in order for a decision to be made has not been achieved, e.g. public vs. private, sector representation from different interest groups
- Where the staff team faces a situation requiring advice and/or a decision from the LAG in between meetings

Appeals Procedures

Any applicant who has a concern about the way in which their application has been handled should write in the first instance to Gordon Elliott (Head of Partnerships and Community

Engagement), who will notify the complainant of any action that they propose to take in relation to the appeal within 10 working days.

Variance to Terms of Reference

The Terms of Reference for the LAG will be reviewed annually by the Accountable Body and the LAG, and they may vary or add to these Terms of Reference by agreement with the DWP and DCLG.

Signed

Name (capitals)

Date

Position: Chair

On behalf of the South Durham CLLD Local Action Group

Signed

Name (capitals) GORDON ELLIOTT

Date

**Position: Head of Partnerships and
Community Engagement)**

On behalf of Durham County Council (the Accountable Body)

Annex D: Confirmation of Agreement in-principle

Community Led Local Development – Accountable Body Status

Summary

The Cabinet considered a joint report of the Corporate Director, Regeneration and Economic Development and the Assistant Chief Executive which sought in-principle approval, subject to conditions, for Durham County Council to become Accountable Body for up to two Community Led Local Development (CLLD) Local Action Group (LAG) areas.

Community Led Local Development is an initiative developed by the European Commission based on the LEADER model of grass roots, bottom-up community development to deliver economic outcomes in the most deprived areas. This was introduced into the 2014-2020 European Structural and Investment Funds (ESIF) programme as a way of integrating the European Regional Development Fund (ERDF) and the European Social Fund (ESF) at a local level. CLLD aims to increase employment and skills, social enterprise, and social inclusion in order to support the *social* regeneration of deprived areas.

In November 2015, Partnership and Community Engagement (PACE) , working closely with the Funding and Programmes Team in Regeneration and Economic Development, submitted applications for preparatory funding to undertake initial work to look at two potential CLLD LAG areas. In February 2016, the applications were approved which secured a total of £29,900 of ESF and ERDF funding.

The two areas are North Durham CLLD Area – the area of Chester-le-Street, Stanley and the western edge of the Derwent valley AAP area covering a population of 46,824; and the South Durham CLLD Area – this includes the areas of Bishop Auckland, Shildon and Spennymoor with a population totalling 62,548.

Centrifuge were appointed in February 2016 to undertake the preparatory work, working closely with the Area Action Partnerships. The outcomes of the preparatory work, which are conditions of the grant, are:

- Development of a Local Development Strategy (LDS)
- Formation of a Local Action Group
- Identification of an Accountable Body

The Principal AAP Co-ordinators are responsible for the formation of a LAG, the recruitment for which began in May 2016 for both areas. The purpose of this report is to ensure that the third outcome, the identification of an Accountable Body, is approved in principle in advance of the LDS being finalised, and submitted to the ERDF and ESF Managing Authorities (DCLG and DWP respectively) at the end of August 2016.

Durham County Council has been Accountable Body for a number of European Funded programmes and externally funded programmes since the early 1990s. It is anticipated that the functions of the Accountable Body would be shared between PACE and the Funding and Programmes Team.

The costs incurred by an Accountable Body in managing the Local Action Group and implementing the investment needed to deliver the local development strategy are an eligible cost for European Regional Development Fund or European Social Fund support. These costs may not exceed 25% of the total amount of public expenditure incurred in delivering the Local Development Strategy. These costs must be based on the actual costs incurred – it is not a flat rate 'management fee'. The ESIF contribution to these costs is likely to be 60%.

The development of the LDS will determine the value of ESIF resources required to deliver the priorities that will be identified to deliver the outputs required for the ESIF resources in each area. This will not be finalised until late July 2016, and then the decision will rest with the ESF and ERDF Managing Authorities as to how much is available for the LAG areas, once the LDSs have been assessed. Updates will be provided a subsequent Cabinet report as appropriate.

Decision

The Cabinet:

- noted the content of this report and:
- Gave in-principle approval for Durham County Council to become Accountable Body for up to two Local Action Groups.

The Cabinet Report is provided over.

Cabinet

13 July 2016

Community Led Local Development –
Accountable Body Status



Report of Corporate Management Team
Ian Thompson, Corporate Director, Regeneration and Economic Development
Lorraine O'Donnell, Assistant Chief Executive
Councillor Neil Foster, Cabinet Portfolio Holder for Economic Regeneration

Purpose of the Report:

1. To seek in-principle approval, subject to conditions outlined below, for Durham County Council to become Accountable Body for up to two Community Led Local Development (CLLD) Local Action Group (LAG) areas.

Background

2. Community Led Local Development is an initiative developed by the European Commission based on the LEADER model of grass roots, bottomup community development to deliver economic outcomes in the most deprived areas. This was introduced into the 2014-2020 European Structural and Investment Funds (ESIF) programme as a way of integrating the European Regional Development Fund (ERDF) and the European Social Fund (ESF) at a local level.
3. CLLD aims to increase employment and skills, social enterprise, and social inclusion in order to support the *social* regeneration of deprived areas.
4. In November 2015, Partnership and Community Engagement (PACE), working closely with the Funding and Programmes Team in RED, submitted applications for preparatory funding to undertake initial work to look at two potential CLLD LAG areas. In February 2016, the applications were approved which secured a total of £29,900 of ESF and ERDF funding.
5. The two areas are **North Durham CLLD Area** – the area of Chester-le-Street, Stanley and the western edge of the Derwent valley AAP area covering a population of 46,824; and the **South Durham CLLD Area** – this includes

the areas of Bishop Auckland, Shildon and Spennymoor with a population totalling 62,548 (See Appendices 2 and 3).

6. Centrifuge were appointed in February 2016 to undertake the preparatory work, working closely with the Area Action Partnerships. The outcomes of the preparatory work, which are conditions of the grant, are:
 - Development of a Local Development Strategy (LDS)
 - Formation of a Local Action Group
 - Identification of an Accountable Body
7. Centrifuge are responsible for the development of the LDS, undertaking research, consultation with the relevant communities and preparing the draft of the LDS document, working closely with the AAPs in the areas and the Principal AAP Co-ordinators.
8. The development of the LDS will confirm the exact priorities for each of the areas, however examples of economic activities that CLLD is likely to deliver could include:
 - stimulating local economies to deliver jobs and growth, including innovative activity to tackle multiple deprivation and specific local barriers to accessing employment and skills faced by groups and individuals farthest from the labour market;
providing individual pathways to integration and re-entry into employment, for example through developing links between disadvantaged groups and local employers, the social economy, social enterprises and intermediaries able to provide information, advice and guidance on employment and self-employment options;
 - improving the integration of marginalised families and communities;
 - Facilitation and capacity building activity in targeted areas which seeks to mobilise community resources and build upon local assets to mitigate risk of social exclusion and act as a foundation for improved economic performance;
 - Provision of small scale community hub facilities to support small and medium enterprises (including social enterprise) in targeted areas;
 - Activity that seeks to promote entrepreneurship and self-employment in deprived areas and targeted communities;
9. The Principal AAP Co-ordinators are responsible for the formation of a LAG, the recruitment for which began in May 2016 for both areas. At least 50% of the votes in selection decisions made by the Local Action Group are cast by partners which are not public authorities.

10. The purpose of this report is to ensure that the third outcome, the identification of an Accountable Body, is approved in principle in advance of the LDS being finalised, and submitted to the ERDF and ESF Managing Authorities (DCLG and DWP respectively) at the end of August 2016.

Accountable Body Role

11. DCC, through the Funding and Programmes Team in RED, have been Accountable Body for a number of European Funded programmes and externally funded programmes since the early 1990s. The Funding and Programmes Team are the Accountable Body for two LEADER LAGs in the 2014 – 2020 European Programming period, managing and administering the Rural Development Programme for England fund. The role of Accountable Body for ERDF and ESF CLLD will be a very similar role to that previously and currently undertaken.
12. The main responsibilities of an Accountable Body are as follows:
- supporting the Local Action Group
 - facilitating project applications
 - project assessment and approval
 - payment of grant funding to project applicants
 - monitoring and verification
13. It is anticipated that the functions of the Accountable Body would be shared between PACE and the Funding and Programmes Team. PACE would lead on supporting the LAG and facilitating the development of project applications, in line with the Local Development Strategy. The Funding and Programmes Team will be responsible for project assessment and approval, authorising grant payments and monitoring and verification of projects.
14. The costs incurred by an Accountable Body in managing the Local Action Group and implementing the investment needed to deliver the local development strategy are an eligible cost for European Regional Development Fund or European Social Fund support. These costs may not exceed 25% of the total amount of public expenditure incurred in delivering the Local Development Strategy. These costs must be based on the actual costs incurred – it is not a flat rate ‘management fee’. The ESIF contribution to these costs is likely to be 60%.

Considerations and conditions

15. The completion of this preparatory stage, with the associated outcomes, is not a guarantee of approval to the next stage to implement the CLLD LDSs. Any in-principle approval given to be Accountable Body, would be on the condition that DCC were invited to Stage 2, please see below.

16. Following submission of the LDS, the Managing Authorities will assess them and will invite those who meet the assessment criteria to Stage 2 – this will be the application for the ERDF and ESF funds to implement the LDSs and will need to be made by the Accountable Body identified in the LDSs. The Managing Authorities may invite both areas, only one area, or may not invite either.
17. The level of resource that may be available to either or both LAG areas is currently unclear. There is a requirement for an LDS to have a minimum public expenditure value of €3m, this is the value of the ERDF and ESF resources, and includes any anticipated public match funding. At current exchange rates, this represents a sterling value of £2.3m.
18. Current indicative allocations for CLLD in County Durham are £1.8m ESF and £1.7m ERDF, although a request for £3.6m ERDF and £1.8m ESF has been made through the refresh of the ESIF strategy. Any in-principle approval given to be Accountable Body, would be on the condition that there were sufficient resources available for either or both LAG areas to be able to be managed appropriately, and that there was therefore sufficient Management and Administration budget to cover the costs, with a resulting sufficient allocation remaining for project investments. It is expected that CLLD should be delivered over a period of 5 years.
19. Ultimately, the development of the LDS will determine the value of ESIF resources required to deliver the priorities that will be identified to deliver the outputs required for the ESIF resources in each area. This will not be finalised until late July 2016, and then the decision will rest with the ESF and ERDF Managing Authorities as to how much is available for the LAG areas, once the LDSs have been assessed. Updates, when available, will be provided in the CMT report and subsequent Cabinet report as appropriate.

Recommendations

20. Cabinet are asked to note the content of this report and:

Give in-principle approval for Durham County Council to become Accountable Body for up to two Local Action Groups.

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Appendix 1: Implications

Finance –

DCC are not expected to match fund the total value of the CLLD LDS allocation – projects will apply for the CLLD resources and bring match funding with them. DCC will be expected to reimburse projects and cash flow this, before claiming from the Managing Authorities in arrears on a quarterly basis.

Match funding will be required for costs related to Management and Administration of the LAGs, if DCC are approved to apply for Stage 2 resources. The LDSs will identify the value of the programme and the level of resources required to manage it, these will not be finalised until August 2016. ACE and RED will work together to assess the full financial implications of fulfilling the Accountable Body function of managing and delivering the CLLD programme, prior to commitments being made and CMT approval will be sought prior to the full application being submitted.

Staffing –

If approved, additional staff within ACE and the Funding and Programmes Team will be required to administer the Programme. They will work alongside the Southern and Northern Principal AAP Co-ordinators who will also provide support and guidance to the Programme on the ground with the relevant geographically based AAP co-ordinators.

Risk –

There are always risks associated with ERDF and ESF resources, however the Funding and Programmes Team have extensive experience in managing European funded projects and programmes, and will provide advice and guidance to AAP staff assisting with developing projects. This will ensure that the risks are minimised.

Equality and Diversity / Public Sector Equality Duty – None

Accommodation – None

Crime and Disorder – None

Human Rights – None

Consultation –

A key element of the development of the LDSs is consultation with as wide a group as possible in the CLLD areas. This has begun, and will continue until the end of August. The LDSs themselves will also be consulted on before being finalised.

Procurement – None

Disability Issues –

None

Legal Implications –

DCC will be expected to enter into Funding Agreements with projects. Examples of ERDF and ESF funding agreements are available, but Accountable Bodies will have flexibility to tailor these to their own needs. Legal advice will be sought from Legal and Democratic Services prior to finalising the Funding Agreements for beneficiaries to ensure that all conditions that DCC have to meet through their own ERDF and ESF Funding Agreements are covered.

