Community Led Local Development in North Durham

Local Development Strategy 2017-2022

European Union
European Structural and Investment Funds

Altogether better

Durham County Council
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1. The Area

Figure 1.1: North Durham CLLD Area

The proposed area for Community Led Local Development in North Durham is shown in Figure 1.1, above. The area covers 4,854 hectares and contains a population of around 45,906\(^1\) 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, with a further 38\% living in LSOAs within the 20-30\% most deprived.

In total there are 28 LSOAs in the area, 2 of which are within the top 10\% most deprived (highlighted in dark pink) and 12 of which are within the 10-20\% most deprived (highlighted in light pink) in the IMD 2010. Those LSOAs in the 20\% most deprived are clustered around four different areas in the west, centre, east and south of the CLLD area:
- East - focussed around Chester-le-Street and the nearby areas of Pelton Fell, Whitehills and Pelton;
- South – the eastern half of Sacriston;
- Centre – focussed around South Stanley and Craghead; and
- West – focussed around the outskirts of Annfield Plain and Harelaw.

The area encompasses a number of former mining communities and the urban core of north Durham with the North Pennines Dales LEADER Local Action Group (LAG) skirting around to the North, West and South of the CLLD area. The area enjoys relatively good road linkages throughout, with the A693 running from east to west from the A1 to the A692, as well as mainline rail linkages and nearby access to the A1 (M) in Chester-le-Street. As a consequence the area is home to a significant amount of people that commute relatively short distances to

\(^1\) ONS Population Estimates, 2013
access employment opportunities in Tyneside to the North, Sunderland in the East and Durham City to the South. These linkages are important to the social, economic and geographic coherence of the area.

The proposed CLLD area is comprised of a focussed geographic community across North Durham which links all of the LSOAs within the top 20% most deprived that are eligible for and the target of CLLD, with adjacent LSOAs incorporated to link the 4 core areas of need in the west, centre, east and south of the proposed CLLD area. Therefore deprivation and health, income and employment related deprivation in particular are a key feature. The area builds on a history of shared industrial heritage and includes a number of towns, villages and settlements with strong local identities and communities. This includes Chester-le-Street, Stanley, Sacriston and Annfield Plain, all of which support a range of social and economic activity. Consequently the areas of particular demand for support, in terms of deprivation, are the most significant communities and settlements in the North Durham CLLD area. However, the area has a strong civil society with a strong tradition of community solidarity and voluntary action and community participation. The area 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 the North Durham CLLD area. These present an important mechanism for community engagement and empowerment across County Durham and will work closely with CLLD and the LAG in North Durham.

This coherent geographical area was developed to focus specifically on areas of greatest need with developmental work undertaken through a dedicated CLLD workstream under the County Durham European Union Investment Group, with further activity to refine and finalise the area through the local Area Action Partnerships.

### 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.

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3 This involved Business Durham, local enterprise agencies, voluntary and community sector representatives and Durham County Council.
**Figure 1.2** provides a summary overview of the table setting out which lower super output areas (LSOAs) are included within the North Durham CLLD area.

### Figure 1.2: Key Area Information

| LSOAs included within the North Durham CLLD area (28) | E01020592; E01020593; E01020599; E01020601; E01020602; E01020604; E01020606; E01020607; E01020615; E01020616; E01020618; E01020621; E01020624; E01020625; E01020626; E01020638; E01020639; E01020647; E01020648; E01020649; E01020653; E01020661; E01020662; E01020670; E01020671; E01020673; E01020674; E01020675. |
| LSOAs within the 20% most disadvantaged areas in Indices of Multiple Deprivation 2010 (14) | E01020592; E01020593; E01020602; E01020615; E01020618; E01020621; E01020626; E01020639; E01020647; E01020648; E01020649; E01020671; E01020675 |
| LSOAs adjacent to 20% most disadvantaged (14) | E01020601; E01020604; E01020625; E01020638; E01020662; E01020599; E01020606; E01020670; E01020674. |
| LSOAs neither within 20% disadvantaged or adjacent to them | n/a |
| Total population | 45,906 |
| Population within 20% most disadvantaged | 23,353 |
| Population of LSOAs | E01020592 | 1,523 | E01020626 | 1,563 |
| | E01020593 | 1,266 | E01020638 | 1,541 |
| | E01020599 | 1,704 | E01020639 | 1,521 |
| | E01020601 | 1,535 | E01020647 | 2,177 |
| | E01020602 | 1,815 | E01020648 | 1,952 |
| | E01020604 | 1,422 | E01020649 | 1,544 |
| | E01020606 | 1,512 | E01020653 | 1,502 |
| | E01020607 | 1,630 | E01020661 | 1,907 |
| | E01020615 | 1,791 | E01020662 | 1,809 |
| | E01020616 | 1,721 | E01020670 | 1,513 |
| | E01020618 | 1,613 | E01020671 | 1,320 |
| | E01020621 | 1,918 | E01020673 | 1,607 |
| | E01020624 | 1,541 | E01020674 | 1,578 |
| | E01020625 | 1,638 | E01020675 | 1,743 |
| **Total** | **45,906** |

The population distribution across the CLLD area is shown in **Figure 1.3**, below. This shows a concentration of population around the Stanley area.
Figure 1.3: CLLD Area Population by LSOA
2. Needs and Potential

Population Summary

- 45,910 Residents
- 23,350 Residents in 20% most deprived neighbourhoods
- 19,420 Working residents
- 12,930 Jobs in the area
- 7,030 Unemployed or economically inactive (excl. retirees and students)
- 2,020 Unemployed
- 5,010 Economically inactive (excl. retirees and students)
- 2,720 Long-term sick or disabled
- 920 Claimant count (JSA claimants/those who claim Universal Credit but are out of work)


2.1 Population

The area’s population broadly follows national trends but is marginally younger than the Durham average with 44% of residents aged 45 years and over in the CLLD area compared to 46% across Durham. Estimates suggest there are approximately 29,400 residents aged 16 to 64 (64%), with around 21,200 (46%) aged 30 to 64.

Figure 2.1: Age Profile

As with County Durham as a whole the North CLLD area has a largely homogenous population in terms of ethnic group with around 44,865 or 98.7% of residents classifying their ethnic group as white English/Scottish/Welsh/Northern Irish/British. This means that around 1,041
residents are from other ethnic groups, of which 435 are other white ethnic groups and 607 are from black and minority ethnic groups (BME). As this breakdown is for the total population, including those not of working age, it has clear implications for potential ethnicity based equalities targets for the CLLD programme.

**Figure 2.2: Ethnicity Profile**

<table>
<thead>
<tr>
<th>Ethnic Group</th>
<th>N.Durham CLLD</th>
<th>Durham</th>
<th>NELEP</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>98.7%</td>
<td>98.2%</td>
<td>95.5%</td>
<td>85.4%</td>
</tr>
<tr>
<td>White: English/Welsh/Scottish/Northern Irish/British</td>
<td>97.7%</td>
<td>96.6%</td>
<td>93.8%</td>
<td>79.8%</td>
</tr>
<tr>
<td>White: Irish</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.3%</td>
<td>1.0%</td>
</tr>
<tr>
<td>White: Gypsy or Irish Traveller</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.1%</td>
</tr>
<tr>
<td>White: Other White</td>
<td>0.7%</td>
<td>1.2%</td>
<td>1.4%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Mixed/multiple ethnic groups</td>
<td>0.4%</td>
<td>0.6%</td>
<td>0.8%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Mixed/multiple ethnic groups: White and Black Caribbean</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Mixed/multiple ethnic groups: White and Black African</td>
<td>0.0%</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Mixed/multiple ethnic groups: White and Asian</td>
<td>0.1%</td>
<td>0.2%</td>
<td>0.3%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Mixed/multiple ethnic groups: Other Mixed</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.2%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Asian/Asian British</td>
<td>0.7%</td>
<td>0.9%</td>
<td>2.7%</td>
<td>7.8%</td>
</tr>
<tr>
<td>Asian/Asian British: Indian</td>
<td>0.2%</td>
<td>0.3%</td>
<td>0.6%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Asian/Asian British: Pakistani</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.5%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Asian/Asian British: Bangladeshi</td>
<td>0.1%</td>
<td>0.0%</td>
<td>0.5%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Asian/Asian British: Chinese</td>
<td>0.2%</td>
<td>0.3%</td>
<td>0.6%</td>
<td>0.7%</td>
</tr>
<tr>
<td>Asian/Asian British: Other Asian</td>
<td>0.2%</td>
<td>0.2%</td>
<td>0.5%</td>
<td>1.5%</td>
</tr>
<tr>
<td>Black/African/Caribbean/Black British</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.5%</td>
<td>3.5%</td>
</tr>
<tr>
<td>Black/African/Caribbean/Black British: African</td>
<td>0.1%</td>
<td>0.1%</td>
<td>0.4%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Black/African/Caribbean/Black British: Caribbean</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Black/African/Caribbean/Black British: Other Black</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.0%</td>
<td>0.5%</td>
</tr>
<tr>
<td>Other ethnic group</td>
<td>0.1%</td>
<td>0.2%</td>
<td>0.4%</td>
<td>1.0%</td>
</tr>
<tr>
<td>Other ethnic group: Arab</td>
<td>0.0%</td>
<td>0.1%</td>
<td>0.2%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Total</td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Source: Census 2011

Poor health is an issue in North Durham with around 10% of the population in bad or very bad health, compared to 8% across Durham and 6% across England. A further 18% are in fair health meaning that only 73% are in good or very good health, compared with 76% across Durham, 77% across the NELEP area and 81% across England.

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5 Including white Irish, white Gypsy or Irish Traveller and other white.
6 Including Mixed/multiple ethnic groups, Asian/Asian British, black/African/Caribbean/ Black British and other ethnic groups.
This trend is further emphasised by data showing long term health problems or disabilities with higher proportions of the total and 16-64 year old populations of North Durham having limiting conditions (26% and 20% respectively) than across England (18% and 13% respectively). Estimates suggest that almost 5,916 16-64 year olds in North Durham have a long term health problem or disability which limits their day-to-day activities a little or a lot.

### Figure 2.4: Long Term Health Problems or Disabilities

<table>
<thead>
<tr>
<th>Population</th>
<th>Long term health problem or disability</th>
<th>N.Durham CLLD</th>
<th>% Difference to England average</th>
<th>Population estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>All residents</td>
<td>Day-to-day activities limited a lot</td>
<td>14%</td>
<td>↑ 5%</td>
<td>6,363</td>
</tr>
<tr>
<td></td>
<td>Day-to-day activities limited a little</td>
<td>12%</td>
<td>↑ 2%</td>
<td>5,530</td>
</tr>
<tr>
<td></td>
<td>Day-to-day activities not limited</td>
<td>74%</td>
<td>↓ -7%</td>
<td>34,013</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100%</td>
<td>-</td>
<td>45,906</td>
</tr>
<tr>
<td>16-64 year olds</td>
<td>Day-to-day activities limited a lot</td>
<td>10%</td>
<td>↑ 4%</td>
<td>2,972</td>
</tr>
<tr>
<td></td>
<td>Day-to-day activities limited a little</td>
<td>10%</td>
<td>↑ 2%</td>
<td>2,944</td>
</tr>
<tr>
<td></td>
<td>Day-to-day activities not limited</td>
<td>80%</td>
<td>↓ -7%</td>
<td>23,470</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>100%</td>
<td>-</td>
<td>29,386</td>
</tr>
</tbody>
</table>


### 2.2 Economic Activity

#### 2.2.1 Economic Activity Rates

Key findings from analysis of economic activity data, include the following for residents aged 16-74:

- Higher economically active rates than those for County Durham (+1 difference) but lower than those for NElep (-1-2% difference) England as a whole (-4% difference for both);
Employment rates equal to the Durham average (both at 57%) but lower than NELEP (58%) and England (62%) averages;

Higher unemployment levels (6%) than Durham (4%), NELEP (5%) and England (4%);

Lower self-employment rates than Durham (6%), NELEP (7%) and England (10%);

Higher economic inactivity levels (35%) than the national average (30%) but marginally lower than the County Durham average (36%);

Higher levels of inactive due to long-term sickness or disability (8%) than County Durham (6%), NELEP (6%) and particularly England (4%).

**Figure 2.5: Economic Activity Rates (Residents)**

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

Source: Census 2011

Economic activity differs between the genders, as shown in Figure 2.6, over. Key highlights include notably lower levels of economically active, employed, self-employed and full-time employed among female residents, while the reverse is true for part-time employment, economic inactivity and those that are inactive due to caring responsibilities. The gender gap for self-employment is of particular interest to the North Durham LAG. In addition a local VCS organisation that has been involved the CLLD and LDS development process has recently secured funding for a 5 year project focused on supporting women to tackle barriers and enhance their health, wellbeing and participation. This includes flexible funding which could be used as potential match for a female focussed entrepreneurship programme across North Durham CLLD or other female focussed interventions to address the issues highlighted above.
2.2.2 Employment

While around 19,420 residents are in employment (either as employees or self-employed), workplace population\(^7\) data from the 2011 Census suggests there are around 12,930 jobs in the North Durham CLLD area. This represents an employment density rate of 2.7 jobs per hectare, which compares favourably with rates of 0.9 across County Durham and 1.1 across the NELEP area. Analysis of the workplace based population shows that part-time employment is more commonplace among jobs in the CLLD area than across County Durham, the North East and England (28% of all jobs in the area compared with 23%, 23% and 21% respectively)\(^8\). Workplace population data also further highlights the relatively low levels of self-employment in the area, when compared with national averages.

Figure 2.7 over, shows the distribution of workplace based employment by LSOA area across North Durham, highlighting a substantial concentration of employment in a small number of areas with just 3 LSOAs accounting for almost 56% of all jobs in the area. This includes Stanley town centre and industrial and retail sites to the North and West, Greencroft Industrial estate to the South of Annfield Plain and sections of Chester-le-Street town centre in the west.

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\(^7\) 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. 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.

\(^8\) It should be noted that this data is based on MSOAs within which the CLLD area is based rather than the CLLD area alone, as MSOAs are the lowest geographical unit this data is available for.
Analysis of resident employment by LSOA reveals a much more even distribution with the largest proportion of total area resident employment in any one LSOA at 4.2% compared with 19.9% for workplace based employment (see Figure 2.8).

Source: Census 2011

Figure 2.8: Resident Based Employment by LSOA

Source: Census 2011
Figure 2.9 below shows the distribution of employment by industry, both in terms of CLLD area residents in work and jobs based within the CLLD area. This illustrates the importance of key industries such as health & social care, wholesale and retail, manufacturing and construction. All of these sectors account for a greater proportion of employment among CLLD area residents than across England as a whole. The area contains a number of key manufacturing and engineering employers with a number based in close proximity to each other. Particular strengths in manufacturing include the automotive and food sectors.

### Figure 2.9: Employment by Workplace and Residents

<table>
<thead>
<tr>
<th>Industry</th>
<th>Workplace(^9)</th>
<th>Resident</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry &amp; fishing (A)</td>
<td>0.4%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Mining, quarrying &amp; utilities (B,D and E)</td>
<td>1.4%</td>
<td>2.2%</td>
</tr>
<tr>
<td>Manufacturing (C)</td>
<td>10.2%</td>
<td>13.1%</td>
</tr>
<tr>
<td>Construction (F)</td>
<td>10.0%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Wholesale and retail trade; Motor trades (G)</td>
<td>16.9%</td>
<td>17.8%</td>
</tr>
<tr>
<td>Transport &amp; storage (inc postal) (H)</td>
<td>5.9%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Accommodation &amp; food services (I)</td>
<td>6.5%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Information &amp; communication (J)</td>
<td>1.1%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Financial &amp; insurance (K)</td>
<td>2.0%</td>
<td>2.1%</td>
</tr>
<tr>
<td>Property (L)</td>
<td>1.7%</td>
<td>1.2%</td>
</tr>
<tr>
<td>Professional, scientific &amp; technical (M)</td>
<td>2.8%</td>
<td>3.2%</td>
</tr>
<tr>
<td>Business administration &amp; support services (N)</td>
<td>4.3%</td>
<td>4.4%</td>
</tr>
<tr>
<td>Public administration &amp; defence (O)</td>
<td>6.0%</td>
<td>8.3%</td>
</tr>
<tr>
<td>Education (P)</td>
<td>10.1%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Health (Q)</td>
<td>15.4%</td>
<td>13.5%</td>
</tr>
<tr>
<td>Arts, entertainment, recreation &amp; other services (R,S,T and U)</td>
<td>5.1%</td>
<td>4.4%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Census 2011

Public sector employment is also key to the local economy. Collectively the industries that comprise the public sector in its widest definition (public administration & defence, education and health & social care) account for 31% of workplace employment and 30% of resident employment.

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, Figure 2.10 over, shows that the gender distribution of employment by industry differs significantly for a number of industries which are dominated by one gender or another. For example, in a key industry such as manufacturing males account for almost 4 out of 5 residents employed in the industry, whereas the reverse is true in health & social care. This suggests there may

---

\(^9\) It should be noted that this data is based on MSOAs within which the CLLD area is based rather than the CLLD area alone, as MSOAs are the lowest geographical unit this data is available for.
be scope for some initiatives to support equalities projects which seek to address such gender imbalances.

**Figure 2.10: Gender Breakdown of Resident Employment by Industry (N.Durham)**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Males</th>
<th>Females</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry &amp; fishing (A)</td>
<td>76%</td>
<td>24%</td>
</tr>
<tr>
<td>Mining, quarrying &amp; utilities (B,D and E)</td>
<td>68%</td>
<td>32%</td>
</tr>
<tr>
<td>Manufacturing (C)</td>
<td>78%</td>
<td>22%</td>
</tr>
<tr>
<td>Construction (F)</td>
<td>89%</td>
<td>11%</td>
</tr>
<tr>
<td>Wholesale and retail trade; Motor trades (G)</td>
<td>48%</td>
<td>52%</td>
</tr>
<tr>
<td>Transport &amp; storage (inc postal) (H)</td>
<td>79%</td>
<td>21%</td>
</tr>
<tr>
<td>Accommodation &amp; food services (I)</td>
<td>36%</td>
<td>64%</td>
</tr>
<tr>
<td>Information &amp; communication (J)</td>
<td>68%</td>
<td>32%</td>
</tr>
<tr>
<td>Financial &amp; insurance (K)</td>
<td>36%</td>
<td>64%</td>
</tr>
<tr>
<td>Property (L)</td>
<td>50%</td>
<td>50%</td>
</tr>
<tr>
<td>Professional, scientific &amp; technical (M)</td>
<td>49%</td>
<td>51%</td>
</tr>
<tr>
<td>Business administration &amp; support services (N)</td>
<td>57%</td>
<td>43%</td>
</tr>
<tr>
<td>Public administration &amp; defence (O)</td>
<td>47%</td>
<td>53%</td>
</tr>
<tr>
<td>Education (P)</td>
<td>28%</td>
<td>72%</td>
</tr>
<tr>
<td>Health and social care (Q)</td>
<td>18%</td>
<td>82%</td>
</tr>
<tr>
<td>Arts, entertainment, recreation &amp; other services (R,S,T and U)</td>
<td>36%</td>
<td>64%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>52%</td>
<td>48%</td>
</tr>
</tbody>
</table>

Source: Census 2011

**Figure 2.11** over, shows the breakdown of industry employment by full-time or part-time work. This shows that part-time working is particularly prevalent in accommodation and food services (57%), other industries\(^{10}\) (45%), and wholesale and retail trade industries (42%).

---

\(^{10}\) This includes arts, entertainment and recreations, other service activities such as physical well-being activities and hairdressing and beauty activities.
Construction accounts for 25% of self-employed residents in the CLLD area with the wholesale and retail trade and repair of motor vehicles and motor cycles accounting for 14% and transport and storage accounting for a further 9%.

Analysis of employment by occupation reveals that elementary occupations (14%) and skilled trades (13%) account for the largest proportion of residents, reflecting the higher than average levels of employment in manufacturing and construction industries. By contrast Figure 2.12 over, shows that the area has lower levels of resident employed in higher level occupations, such as managerial, professional and associate professional occupations.

---

11 This data is based on MSOAs rather than LSOAs.
The occupational profile of the workplace population of the CLLD area is broadly similar to that of the resident population, although proportions of employment in skilled trade occupations are 2% higher among the workplace population and those for caring, leisure and other service occupations are 3% higher.

### 2.2.3 Skills and Qualifications

There is a significant qualification deficit in North Durham with a third (33%) of residents aged 16 and above having no qualifications. This compares poorly to the national average of 22% and is notably higher than County Durham (28%) and NELEP (26%) averages. The difference is similarly stark for higher level qualifications at Level 4 and above with only 16% of North Durham CLLD area residents possessing a qualification at this level compared to 27% across England, 21% in County Durham and 23% across NELEP.

### Figure 2.13: Highest Qualification

<table>
<thead>
<tr>
<th>Highest Qualification</th>
<th>N.Durham CLLD</th>
<th>Durham</th>
<th>NELEP</th>
<th>England</th>
</tr>
</thead>
<tbody>
<tr>
<td>No qualifications</td>
<td>33%</td>
<td>28%</td>
<td>26%</td>
<td>22%</td>
</tr>
<tr>
<td>Other qualifications</td>
<td>4%</td>
<td>4%</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>Level 1 qualifications</td>
<td>15%</td>
<td>13%</td>
<td>14%</td>
<td>13%</td>
</tr>
<tr>
<td>Level 2 qualifications</td>
<td>17%</td>
<td>16%</td>
<td>16%</td>
<td>15%</td>
</tr>
<tr>
<td>Apprenticeship</td>
<td>4%</td>
<td>4%</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Level 3 qualifications</td>
<td>12%</td>
<td>14%</td>
<td>13%</td>
<td>12%</td>
</tr>
<tr>
<td>Level 4 qualifications and above</td>
<td>15%</td>
<td>21%</td>
<td>23%</td>
<td>27%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: Census 2011
### 2.2.4 Unemployment and Economic Inactivity

The proportion of North Durham residents that are unemployed is higher than the averages for County, NELEP and England. Modelling 2011 Census and ONS population data suggests that there are approximately 2,020 unemployed\(^\text{12}\) residents in North Durham, of which 62% are male. However, it is important to look beyond unemployment statistics when analysing out of work populations as in isolation this figure masks the true scale of this group in any area. For example, in North Durham alone there are approximately 11,670 economically inactive residents\(^\text{13}\) of which 58% are female, and around 6,650 are retirees or non-working students (57% of the economically inactive total). Given that ESF is targeted at the unemployed and economically inactive this suggests a total of approximately 7,030 potential beneficiaries for ESF supported activity in the CLLD area, of which 53% are female.

Those who are economically inactive and long-term sick or disabled form a significant proportion of this group (39%) with around 2,720 residents categorised as such (see **Figure 2.14**, below).

#### Figure 2.14: Unemployment and Economic Inactivity Estimates by Gender

<table>
<thead>
<tr>
<th>Economic Activity</th>
<th>Gender</th>
<th>Estimate</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployed</td>
<td>Females</td>
<td>773</td>
<td>38%</td>
</tr>
<tr>
<td></td>
<td>Males</td>
<td>1,246</td>
<td>62%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>2,019</td>
<td>100%</td>
</tr>
<tr>
<td>Inactive</td>
<td>Females</td>
<td>6,705</td>
<td>57%</td>
</tr>
<tr>
<td></td>
<td>Males</td>
<td>4,960</td>
<td>43%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>11,666</td>
<td>100%</td>
</tr>
<tr>
<td>Inactive (minus retirees and students)</td>
<td>Females</td>
<td>2,967</td>
<td>59%</td>
</tr>
<tr>
<td></td>
<td>Males</td>
<td>2,044</td>
<td>41%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>5,012</td>
<td>100%</td>
</tr>
<tr>
<td>Inactive: Long-term sick or disabled</td>
<td>Females</td>
<td>1,221</td>
<td>45%</td>
</tr>
<tr>
<td></td>
<td>Males</td>
<td>1,497</td>
<td>55%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>2,718</td>
<td>100%</td>
</tr>
<tr>
<td>Total Unemployed and Inactive (minus retirees and students)</td>
<td>Females</td>
<td>3,741</td>
<td>53%</td>
</tr>
<tr>
<td></td>
<td>Males</td>
<td>3,290</td>
<td>47%</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>7,031</td>
<td>100%</td>
</tr>
</tbody>
</table>


**Figure 2.15** over, shows the distribution of unemployment in North Durham by LSOA.

---
\(^{12}\) 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.

\(^{13}\) 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.
Longer-term disengagement from the labour market is a real issue within North Durham with around 860 people or 43% of unemployed residents being out of work for two years or more, while around 400 residents or one in five unemployed people in the area have never worked. This highlights the challenges in supporting many of the unemployed residents of North Durham towards or into employment. In addition more than a third of unemployed residents are young adults aged 16 to 24. While current provision under the County Durham wide Durham Works Programme will target this group until 2018, this does point towards the need for some provision under CLLD following Durham Works.

**Figure 2.16: Unemployment by Age and Status**

<table>
<thead>
<tr>
<th>NDurham CLLD Estimate</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployed: Age 16 to 24</td>
<td>683</td>
</tr>
<tr>
<td>Unemployed: Age 25 to 49</td>
<td>1,052</td>
</tr>
<tr>
<td>Unemployed: Age 50 to 74</td>
<td>284</td>
</tr>
<tr>
<td>Unemployed: Never worked</td>
<td>402</td>
</tr>
<tr>
<td>Long-term unemployed (2 years or more)</td>
<td>867</td>
</tr>
</tbody>
</table>

Family based approaches potentially present an important mechanism for engaging the unemployed within North Durham, with 19% of families with dependent children having no working parent in the household.

The claimant count provides another method for measuring unemployment in the North Durham CLLD area. The claimant count 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 in June 2016 shows a claimant count of 920 residents in North Durham CLLD. Figure 2.17 below provides an overview of the claimant count by age and gender.

Figure 2.17: Claimant Count by Age and Gender

<table>
<thead>
<tr>
<th>Indicator</th>
<th>No. of residents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Claimant count</td>
<td>920</td>
</tr>
<tr>
<td>18-24</td>
<td>245</td>
</tr>
<tr>
<td>25-34</td>
<td>215</td>
</tr>
<tr>
<td>35-49</td>
<td>245</td>
</tr>
<tr>
<td>50+</td>
<td>210</td>
</tr>
<tr>
<td>Male</td>
<td>605</td>
</tr>
<tr>
<td>Female</td>
<td>315</td>
</tr>
</tbody>
</table>

Source: DWP Claimant Count, April 2016.

Figure 2.14 previously highlighted the significance of the economically inactive population that are long term sick or disabled. Recent welfare reforms have seen a shift in circumstances with this group, including the transition from Incapacity Benefit (IB) to Employment and Support Allowance (ESA) have 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. Consultation and provision reviews undertaken as part of the LDS development process identifies health, disabilities and mental health as key areas for targeting employment related support through CLLD in North Durham. 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;

---

14 This includes couple families with neither parent working and single parent families with the parent not working.
• 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.

A survey of public, private and VCS organisations across the North Durham area was undertaken to inform the development of the LDS. The 124 respondents to this survey were asked to rank a number of barriers to labour market participation for North Durham residents, with the lack of local employment opportunities ranked the most significant barrier with an average score of 2.78 (with 1 being the lowest possible score) and 4 out of 10 respondents selecting it first. This illustrates the importance of integrating ESF and ERDF at the local level through CLLD in order to enable those accessing employment related support to access employment opportunities created through business or enterprise support.

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** below 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 North 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.
**Figure 2.18: Prioritisation of Barriers to Labour Market Participation**

<table>
<thead>
<tr>
<th>Priority Ranking</th>
<th>Average Score*</th>
<th>% selecting as most significant barrier</th>
<th>% selecting as second most significant</th>
<th>% selecting as third most significant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of local employment opportunities</td>
<td>1</td>
<td>2.78</td>
<td>41%</td>
<td>24%</td>
</tr>
<tr>
<td>Pockets of deprivation among specific communities</td>
<td>2</td>
<td>4.69</td>
<td>19%</td>
<td>11%</td>
</tr>
<tr>
<td>Low local skills base</td>
<td>3</td>
<td>4.76</td>
<td>3%</td>
<td>19%</td>
</tr>
<tr>
<td>Lack of local capacity to address key issues</td>
<td>4</td>
<td>4.82</td>
<td>14%</td>
<td>11%</td>
</tr>
<tr>
<td>Lack of local training and development opportunities</td>
<td>5</td>
<td>5.06</td>
<td>8%</td>
<td>3%</td>
</tr>
<tr>
<td>Insufficient or lack of awareness of local information, advice and guidance</td>
<td>6</td>
<td>5.08</td>
<td>5%</td>
<td>8%</td>
</tr>
<tr>
<td>Difficulties accessing employment in other areas</td>
<td>7</td>
<td>5.46</td>
<td>0%</td>
<td>19%</td>
</tr>
<tr>
<td>Lack of support to address health and wellbeing (including mental health)</td>
<td>8</td>
<td>6.03</td>
<td>3%</td>
<td>5%</td>
</tr>
<tr>
<td>Lack of support to address debt and money management</td>
<td>9</td>
<td>6.29</td>
<td>8%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>-</td>
<td>-</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

* The lower the score the higher the priority.

The survey findings also highlighted the need for geographic and community based targeting of support to increase local capacity and develop the local skills base in order to address pockets of deprivation among specific communities and localities. The need for community focussed and embedded activity to address the needs of the long-term unemployed and inactive and those who experience multiple complex barriers to employment and even engagement in services, was a key priority among agencies, organisations, businesses and individuals consulted through the LDS development process.

### 2.2.5 Business Base

It is estimated that there are around 1,340 local units\(^{15}\) or workplaces in the North Durham CLLD area\(^{16}\) of which 80% are micro sized with 0-9 employees and a further 16% are small with 10 to 40 employees. Analysis by local enterprise\(^{17}\) shows that micro-enterprises dominate accounting for 87% of total enterprises in the area (see **Figure 2.19**). In addition, despite lower levels of self-employment North Durham has a relatively high proportion of sole-traders among the local enterprise base compared with County, regional and national averages.

---

\(^{15}\) 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.

\(^{16}\) 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.

\(^{17}\) 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 is the smallest combination of legal units which has a certain degree of autonomy within an Enterprise Group.
Retail, wholesale and the motor trade industries account for the largest proportion of workplaces, enterprises and workplace employment in the North Durham CLLD area (see Figure 2.20, below. It also illustrates industries that are characterised by large workplaces or enterprises. For example, while education accounts for 10% of workplace employment, they only account for 4% of workplaces. In addition the difference between the proportion of workplace employment and workplaces in manufacturing suggests the sector has a number of medium to larger workplaces and enterprises in the CLLD area. In contrast, industries such as construction, accommodation and food services, and professional, scientific and technical services account for a larger proportion of workplaces than workplace employment, highlighting the prevalence of micro and small businesses in these industries.

**Figure 2.20: Business Base and Workplace Employment by Industry**

<table>
<thead>
<tr>
<th>Industry</th>
<th>% of Workplaces</th>
<th>% of Enterprises</th>
<th>% of Workplace employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, forestry &amp; fishing (A)</td>
<td>2.6%</td>
<td>3.3%</td>
<td>0.4%</td>
</tr>
<tr>
<td>Mining, quarrying &amp; utilities (B,D and E)</td>
<td>0.7%</td>
<td>1.0%</td>
<td>1.4%</td>
</tr>
<tr>
<td>Manufacturing I</td>
<td>6.0%</td>
<td>6.2%</td>
<td>10.2%</td>
</tr>
<tr>
<td>Construction (F)</td>
<td>12.3%</td>
<td>14.8%</td>
<td>10.0%</td>
</tr>
<tr>
<td>Wholesale and retail trade; Motor trades (G)</td>
<td>18.3%</td>
<td>17.7%</td>
<td>16.9%</td>
</tr>
<tr>
<td>Transport &amp; storage (inc postal) (H)</td>
<td>5.6%</td>
<td>6.2%</td>
<td>5.9%</td>
</tr>
<tr>
<td>Accommodation &amp; food services (I)</td>
<td>8.6%</td>
<td>9.6%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Information &amp; communication (J)</td>
<td>2.6%</td>
<td>3.3%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Financial &amp; insurance (K)</td>
<td>1.5%</td>
<td>1.0%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Property (L)</td>
<td>1.9%</td>
<td>1.9%</td>
<td>1.7%</td>
</tr>
<tr>
<td>Professional, scientific &amp; technical (M)</td>
<td>8.6%</td>
<td>11.0%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Business administration &amp; support services (N)</td>
<td>6.7%</td>
<td>7.7%</td>
<td>4.3%</td>
</tr>
<tr>
<td>Public administration &amp; defence (O)</td>
<td>1.5%</td>
<td>0.5%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Education (P)</td>
<td>3.7%</td>
<td>1.4%</td>
<td>10.1%</td>
</tr>
<tr>
<td>Health and social care (Q)</td>
<td>10.4%</td>
<td>5.3%</td>
<td>15.4%</td>
</tr>
<tr>
<td>Arts, entertainment, recreation &amp; other services (R,S,T and U)</td>
<td>9.0%</td>
<td>9.1%</td>
<td>5.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>


**Figure 2.21** below shows that the number of active enterprises increased across County Durham between 2012 and 2014 following a decline between 2009 and 2012.

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18 These figures are based on MSOAs rather than LSOAs, as this is the lowest geography at which this data is available.
19 As above.
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.

In addition to Durham and wider North East focussed business support provision North Durham benefits from a local enterprise agency focussed on supporting local entrepreneurs and start-ups; while the area also benefits from some strong business networks. However, the Enterprise Agency has limited resources and capacity to fully address all local needs. Figure 2.23 below shows how respondents to the North Durham CLLD survey rated local
barriers to business growth and creation in North Durham, with the top 4 barriers identified as lack of:

1. Investment/finance opportunities, particularly 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 business support and advice, including that targeted at social enterprise particularly given the need to move away from grant dependency and local asset transfer and service transformation agendas, including The Durham Ask;
3. Support to grow small scale businesses, including start-up support for those that are some distance from being enterprise ready; and
4. Local entrepreneurial culture, particularly among certain groups and communities.

Figure 2.23: Prioritisation of Barriers to Business Growth and Creation in North Durham

<table>
<thead>
<tr>
<th>Priority Ranking</th>
<th>Average Score*</th>
<th>% selecting as most significant barrier</th>
<th>% selecting as second most significant</th>
<th>% selecting as third most significant</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lack of availability of investment for businesses</td>
<td>1</td>
<td>3.24</td>
<td>24%</td>
<td>19%</td>
</tr>
<tr>
<td>Lack of local business support and advice</td>
<td>2</td>
<td>3.32</td>
<td>11%</td>
<td>35%</td>
</tr>
<tr>
<td>Lack of support to grow small scale businesses</td>
<td>3</td>
<td>3.53</td>
<td>24%</td>
<td>11%</td>
</tr>
<tr>
<td>Lack of local entrepreneurial culture</td>
<td>4</td>
<td>3.91</td>
<td>11%</td>
<td>14%</td>
</tr>
<tr>
<td>Poor business networks</td>
<td>5</td>
<td>4.29</td>
<td>14%</td>
<td>5%</td>
</tr>
<tr>
<td>Poor availability of appropriate business space</td>
<td>6</td>
<td>4.33</td>
<td>16%</td>
<td>3%</td>
</tr>
<tr>
<td>Lack of specialist business skills to enter new markets</td>
<td>7</td>
<td>4.42</td>
<td>0%</td>
<td>14%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td><strong>100%</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

* The lower the score the higher the priority

The North Durham area contains a number of industrial estates, including Craghead, Pelton Fell North, Stella Gill and Harelaw, while Drum Industrial Estate lies closely to the East of one of its most disadvantaged areas in Pelton. While ‘availability of appropriate business space’ was not identified as one of the top priorities for the area, intelligence from Business Durham shows ongoing high levels of demand for office space (particularly 135sq.ft-350sq.ft), while demand for industrial property remains strong.

### 2.3 Local Services and Infrastructure

North Durham has a relatively strong and vibrant voluntary and community sector, with a number of organisations with a strong track record in service delivery and a number taking ownership over community assets. This includes organisations that operate across the North Durham CLLD area as well as community focussed groups in key towns and settlements across the area, including North Pelton, Chester-le-Street, Stanley and Dipton. However, many of these organisations have limited capacity and resources, with many requiring support to enhance their financial viability and deliver the services required by the community.
Infrastructure and access to local services is relatively good across the CLLD area, with the area encompassing or in close proximity to a number of key service centres, including Stanley, Chester-le-Street and Sacriston. These and other town centres act as the principal service access points for many residents of the North Durham CLLD area and Department for Transport (DfT) data shows that all residents live within 30 minutes of at least one town centre by public transport/walking and 41% live within 15 minutes by the same method(s). However, some areas can experience transport issues which can impact upon their access to services and employment, particularly outside of peak hours in communities such as the areas of Dipton at the North West tip of the CLLD area.

Many residents work outside of the area with around 3 times as many people commute out of the area to work compared with those commuting in to the area to work. However, access to private transport is particularly low in the area with 27% of residents aged 16 and over living in a household with no access to a car or van compared with 21% across County Durham and 20% across England. Unsurprisingly such access issues are even more significant for North Durham residents that are out of work with 45% of residents that are unemployed and 46% of those 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 for communities across the CLLD area. Figure 2.24 over, shows the accessibility of employment centres by public transport and/or walking for the economically active population of the North Durham CLLD area. This shows that by public transport/walk:

- 95% of economically active residents live within 15 minutes of employment centres with 100 to 499 jobs;
- 58% 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;
- 89% of economically active residents live within 45 minutes of employment centres with 5,000+ jobs.
The average distance travelled to work for North Durham CLLD residents is lower than County Durham and NELEP averages at 14.5km compared with 17.4km and 16.7km respectively; with 85% of working residents travelling less than 20km to work.

2.4 Deprivation and Disadvantage

In assessing the development needs and potential of the area 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 North Durham CLLD area. Analysis of overall IMD scores across different indicators reveals that health is a particular acute issue within the area. Figure 2.25, over, shows the CLLD area against some of the core non-employment related domains from the Indices of Multiple Deprivation. This shows that 71% of the LSOAs in North Durham are ranked among the 20% most deprived in the country in terms of health and disabilities\(^{20}\) with 54% ranked among the 20% most deprived for income\(^{21}\). By contrast none of the LSOAs in the North Durham CLLD area rank among the 20% most deprived for the living environment, which focuses on housing and local environment.

\(^{20}\) Indicators used here include premature death, disability and illness ratio, measures of acute morbidity and sufferers of mood or anxiety disorders.

\(^{21}\) Indicators used here include a number of out of work and income support benefits.
In addition foodbank data for the area suggests around 2,639 people\textsuperscript{22} have been referred to foodbanks in the North Durham CLLD area and have received more than one food parcel, further highlighting issues of poverty and disadvantage in the area.

### 2.5 SWOT Analysis

Figure 2.26, over, provides an overview of a SWOT analysis of the North Durham CLLD area. 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 North Durham, this includes:
  - Initial interviews with key agencies and organisations to supplement the data analysis and questionnaire and shape the initial STOW analysis;
  - a number of drop-in workshop and discussion sessions which focussed entirely 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.

\textsuperscript{22} This includes 1,588 adults and 751 children.
## 2.26 ‘SWOT’ Analysis

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>People</strong></td>
<td><strong>People</strong></td>
</tr>
<tr>
<td>- Employment rates higher than the County average and in-line with the NELEP average</td>
<td>- Levels of unemployment and economic inactivity due to long-term sickness or disability higher than County, regional and national averages</td>
</tr>
<tr>
<td>- High number of apprentices</td>
<td>- Relatively high levels of health and income related deprivation</td>
</tr>
<tr>
<td>- Strong voluntary and community sector and active citizenry</td>
<td>- Almost a third of the 16+ population have no qualifications</td>
</tr>
<tr>
<td>- Loyal and resilient workforce</td>
<td>- Significant levels of long-term unemployment</td>
</tr>
<tr>
<td>- Presence of Durham Works to focus on supporting young people until 2018</td>
<td>- High levels of mental health and behavioural disorders among ESA claimants, including the work related activity group</td>
</tr>
<tr>
<td><strong>Place</strong></td>
<td><strong>Place</strong></td>
</tr>
<tr>
<td>- Presence of and proximity to key employment centres</td>
<td>- 3 times more commute out of the area to work than commute-in</td>
</tr>
<tr>
<td>- Relatively strong road and rail transport and communication links, particularly in the east of the area</td>
<td>- Relatively low levels of car/van ownership and off-peak public transport issues, causing issues in accessing employment opportunities for some communities</td>
</tr>
<tr>
<td>- Local service centres acting as social and economic hubs</td>
<td>- Significant pockets of deprivation, unemployment and economic inactivity</td>
</tr>
<tr>
<td>- Community facilities and local community focused service provision</td>
<td>- Limited local capacity for employment and business support, including social enterprises</td>
</tr>
<tr>
<td>- Area Action Partnerships</td>
<td>- Increasing number of active enterprises</td>
</tr>
<tr>
<td><strong>Economy</strong></td>
<td><strong>Economy</strong></td>
</tr>
<tr>
<td>- Higher employment density rates than the County and regional average</td>
<td>- Relatively small business base</td>
</tr>
<tr>
<td>- High levels of employment in skilled trades</td>
<td>- Lack of entrepreneurial culture and low levels of self-employment, particularly among females</td>
</tr>
<tr>
<td>- Strong wholesale &amp; retail and health &amp; social care sectors</td>
<td>- Relatively high levels of part-time employment</td>
</tr>
<tr>
<td>- Relatively high levels of employment in manufacturing/engineering and construction</td>
<td>- Limited number of local employment opportunities with survey respondents highlighting this as the key barrier to growing labour market participation</td>
</tr>
<tr>
<td>- Proactive networking groups and locally based business support infrastructure</td>
<td>- Lack of low level and low risk finance to support start-up and business growth</td>
</tr>
<tr>
<td>- Increasing number of active enterprises</td>
<td>- Lack of modern industrial property available</td>
</tr>
</tbody>
</table>
### Figure 2.2 continued...

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>People</strong></td>
<td><strong>People</strong></td>
</tr>
<tr>
<td>• Micro and small businesses with potential for growth</td>
<td>• Limited long-term employment opportunities</td>
</tr>
<tr>
<td>• Community asset transfer and service transformation agendas, including The Durham Ask(^\text{23})</td>
<td>• The impact of welfare reform</td>
</tr>
<tr>
<td>• Significant community infrastructure with an appetite to deliver support to those furthest from the labour market</td>
<td>• Significant and multiple complex barriers to engagement and employment for many target participants</td>
</tr>
<tr>
<td>• Potential match funding secured by local VCS organisations(^\text{24})</td>
<td>• Unaddressed health and wellbeing issues</td>
</tr>
<tr>
<td><strong>Place</strong></td>
<td><strong>Place</strong></td>
</tr>
<tr>
<td>• Good distribution of local community assets and an increasing willingness to take control</td>
<td>• Some challenges accessing employment opportunities via public transport outside of peak travel times</td>
</tr>
<tr>
<td>• Significant appetite to drive area improvement and enhance the financial viability of community assets and infrastructure</td>
<td>• Financial viability, sustainability and condition of some community assets</td>
</tr>
<tr>
<td>• Linkages to Area Action Partnership structures and funds</td>
<td>• The capacity of the public sector to invest</td>
</tr>
<tr>
<td>• Potential for integration with broadband infrastructure developments, such as Smart Stanley</td>
<td>• Underinvestment and occupancy of some town centres</td>
</tr>
<tr>
<td>• Presence of and proximity to industrial estates and employment sites</td>
<td>• Danger of becoming a commuter area</td>
</tr>
<tr>
<td>• Establishment of a local Wheels to Work to address transport related barriers to employment</td>
<td><strong>Economy</strong></td>
</tr>
<tr>
<td><strong>Economy</strong></td>
<td><strong>Economy</strong></td>
</tr>
<tr>
<td>• 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</td>
<td>• Employment and the local economy is reliant on the public sector (c.31% of workplace employment) and wholesale and retail (17%)</td>
</tr>
<tr>
<td>• Local business and enterprise support agency and business networks</td>
<td>• National and local economic performance</td>
</tr>
<tr>
<td>• Significant appetite for driving economic performance with a potential pipeline of projects identified through the LDS development process</td>
<td>• Capacity or willingness of the private sector to invest over the short and medium term</td>
</tr>
<tr>
<td>• Supply chain opportunities in manufacturing/engineering</td>
<td>• Uncertainties over ESIF</td>
</tr>
</tbody>
</table>

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\(^\text{23}\) 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](http://www.durham.gov.uk/communityassets)

\(^\text{24}\) Such as Aspire recently securing Big Lottery Fund support for a programme to address the needs of women within the locality.
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, especially between the two proposed CLLD areas in the County, there are specific challenges facing North 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 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:
- South Stanley;
- Harelaw;
- Sacriston;
- Pelton; and
- Chester le Street.

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.

In terms of community infrastructure, the area has a strong tradition of self-organisation, evidenced by the existence of a range of social enterprise hub organisations with a history of support and interventions in the community, although these facilities tend to focus on leisure on community support activities, rather than economic interventions. However, it has also been acknowledged that communities face challenges over self-perception, with, for example, the Stanley Destination Development Plan identifies civic pride as one of the core challenges to be overcome in the area.

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 resources against which ESIF can potentially be matched on relevant projects. The area is covered by three AAPs:
- Stanley;
- Chester le Street and District (part); and
- Derwent Valley (part).

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.

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For example, in 2014/15 Chester le Street AAP provided support to part-fund:
- A business advisor hosted by the local enterprise agency;
- An Apprenticeship Programme;
- The ‘Wheels to Work’ project, providing transport solutions for job access in Stanley and Chester le Street; and
- An Employability officer in Cestria Community Housing.

As Section 2 shows, the North Durham CLLD area faces:
- High levels of unemployment and economic activity, with related health and wellbeing issues;
- Long-term worklessness embedded in families and communities;
- Age-related issues over employment access;
- Relatively low qualification levels;
- Issues over the diversity of the business base; and
- Low levels of entrepreneurship.

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.

In addition, the area provides some employment opportunities, although there is a stark gender imbalance in certain sectors, such as construction and care.

Gender is also an issue in self-employment, with far fewer women than men involved in entrepreneurial activity (Section 2.2), although it has to be acknowledged that a significant proportion of existing self-employment is generated by contract working, rather than self-generated activities.

CLLD therefore provides an opportunity for the North 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
- 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 infrastructure that will 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;
- targeting existing facilities such as foodbanks for the offer of employability support;
- encouraging mobility across the area into employment centres;
- advice and support;
- Helping businesses to network, for example through establishing joint training and work experience initiatives, or in accessing supply chains, for example in public sector procurement;
- 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 childcare facilities;
  - Building on the model of the Durham Creatives programme;
  - 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 (NEA).

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.

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26 http://www.durhamcreatives.co.uk/
Figure 3.1: Logic Framework – North Durham ESF

**Objectives**
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

**Rationale**
The ND CLLD area faces specific issues that hold back socio-economic development, including:
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 females
Lack of qualifications
Off-peak travel issues

**Assumption**
Targeted investment in interventions which increase labour market participation and promote inclusion will help 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
- £ ESF
- £ match funding

**Activities**
- **People**
  - Support to 30+ age group, in the short term
  - Enhanced focus on young people-post 2018
  - Mental & physical wellbeing
  - Family support
  - Community focused activity
  - Stimulating entrepreneurship including gender focused approaches
- **Place**
  - Addressing transport barriers
- **Business**
  - Enhanced local labour supply
  - Collaborative opportunities

**Outputs**
- **People**
  - Total Participants
  - Unemployed participants, including long-term unemployed
  - Inactive participants
  - Participants aged 50+
  - Participants from ethnic minorities
  - Participants with disabilities
- **Result & Outcomes**
  - **Results - People**
    - Participants in education or training
    - Unemployed participants in employment or self-employment
    - Inactive participants into employment or job-search on leaving
  - **Outcomes - People**
    - Increased labour market participation
  - **Outcomes - Place**
    - Increased local capacity and culture
  - **Outcomes - Business**
    - New enterprises established
    - Enhanced local workforce

**Impact**
Increased:
- Employment
- Social Value
- Leverage of support from other sources

**Externalities**
Capacity of partners to invest; future of ESIF; impact of other programmes, such as Durham Works and BBO; wider economy
Figure 3.2: Logic Framework – North 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
- Integrate with local opportunities presented by key sectors, 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
- Restricted business base
- Lack of small scale grant funding
- Lack of resources for business IAG
- Sustainability and condition of local assets

**Assumption**
Targeted investment in interventions which support the establishment and growth of local enterprises will help to address the above 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
- £ match funding

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

**Place**
- Revitalising underused assets
- Enhancing business support infrastructure

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

**Outputs**
**People**
- Number of potential entrepreneurs assisted to be enterprise ready

**Place**
- Square metres of public or commercial building built or renovated in targeted areas

**Business**
- Number of enterprises receiving support
- Number of new enterprises supported

**Impact**
Increased:
- Employment
- Business base
- 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, including NELEP mainstream ERDF; wider economy
### 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, building on the existing networks.

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

**Figure 3.3: Objectives**

<table>
<thead>
<tr>
<th>ESF</th>
<th>ERDF</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Build local capacity to create economic interventions</td>
<td>- Promote and develop local entrepreneurship</td>
</tr>
<tr>
<td>- Support clear progress towards and into employment/self-employment, education and training access to work and training for those furthest from the labour market</td>
<td>- Support the development and growth of local start-ups, micro and small businesses and social enterprises</td>
</tr>
<tr>
<td>- Improve local labour market participation and raise aspirations and culture</td>
<td>- Enhance community infrastructure and capacity for economic growth</td>
</tr>
<tr>
<td></td>
<td>- Integrate with local opportunities presented by key sectors, service and estates transformation agendas and other factors</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Theme</th>
<th>ESF</th>
<th>ERDF Revenue</th>
<th>ERDF Capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>People</td>
<td>Mentoring and guidance (with initial focus on 25+ age group, with young people becoming a priority post DurhamWorks (2018))</td>
<td>Community delivery of activities (e.g. social enterprise)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pre vocational training</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mental health wellbeing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Supporting entrepreneurial culture, including a focus on gender issues</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Place</td>
<td>Physical access to employment sites (e.g. supporting effective use of public transport)</td>
<td></td>
<td>Extending the use of underutilised assets for enterprise (e.g. community facilities, town centre facilities)</td>
</tr>
<tr>
<td>Business</td>
<td>Supporting the development of the labour supply through work experience and placements</td>
<td>Social enterprise support</td>
<td>Developing local hubs with social enterprise focus</td>
</tr>
<tr>
<td></td>
<td>Collaboration and networking (e.g. joint work experience/apprenticeship initiatives)</td>
<td>Supporting supply chain and employment access initiatives through business linkages</td>
<td>Targeting potential growth sectors (e.g. social care; environmental sustainability)</td>
</tr>
</tbody>
</table>

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 North Durham CLLD have previously been described in Section 3.1.2. 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.

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.
### Figure 3.5: Strategic Objectives

<table>
<thead>
<tr>
<th>Theme</th>
<th>Activity Focus</th>
<th>Objectives (by 2023)</th>
</tr>
</thead>
<tbody>
<tr>
<td>People</td>
<td>Routes into work</td>
<td>Reduction in economic inactivity rates</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase in activities focused on people inactive/unemployed in worst 20% IMD areas</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Increase in numbers of self-employed, including proportion of women</td>
</tr>
<tr>
<td>Place</td>
<td>Infrastructure</td>
<td>Establishing the LAG as a local focus for activity and funds leverage</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Creating new workspaces for micro/small enterprises</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Development of community facilities for economic development</td>
</tr>
<tr>
<td>Business</td>
<td>Networking &amp; Support</td>
<td>Establishing new businesses</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Supporting new co-operatives/social enterprises</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Creating new networks focused on training and supply chain access</td>
</tr>
</tbody>
</table>

### 3.3 ESI Fund Outputs and Results

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

#### Figure 3.5: ESF Outputs

<table>
<thead>
<tr>
<th>ID</th>
<th>Indicator</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>01</td>
<td>All Participants</td>
<td>719</td>
</tr>
<tr>
<td>-</td>
<td>Women</td>
<td>329</td>
</tr>
<tr>
<td>-</td>
<td>Men</td>
<td>390</td>
</tr>
<tr>
<td>CO03</td>
<td>Inactive</td>
<td>186</td>
</tr>
<tr>
<td>CO01</td>
<td>Unemployed</td>
<td>503</td>
</tr>
<tr>
<td>04</td>
<td>Over 50 years old</td>
<td>121</td>
</tr>
<tr>
<td>CO16</td>
<td>With disabilities</td>
<td>191</td>
</tr>
<tr>
<td>05</td>
<td>Ethnic Minorities</td>
<td>20</td>
</tr>
</tbody>
</table>

It should be noted that there is an ESF output target specifically for Ethnic Minorities, which proportionately for the North CLLD area would be 82. However, the total BAME population in the CLLD area[^27] who are unemployed or inactive is only 170, and it is not considered realistic for the CLLD activities to cover c.50% of this group. A reduced target figure of 20 is therefore proposed.

#### Figure 3.6

Summarises the projected results from the programme over the five-year period.

[^27]: Calculated on Medium LSOAs
Figure 3.6: ESF Results

<table>
<thead>
<tr>
<th>ID</th>
<th>Indicator</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>CR02</td>
<td>Participants in education or training on leaving</td>
<td>137 (19%)</td>
</tr>
<tr>
<td>R1</td>
<td>Participants in employment (incl. self-employment) on leaving</td>
<td>115 (16%)</td>
</tr>
<tr>
<td>R2</td>
<td>Inactive participants into employment or job search on leaving</td>
<td>54 (29%)</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>ID</th>
<th>Output Indicator</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>C1</td>
<td>Number of enterprises receiving support</td>
<td>29</td>
</tr>
<tr>
<td>C5</td>
<td>Number of new enterprises supported</td>
<td>20</td>
</tr>
<tr>
<td>C8</td>
<td>Employment increase in supported enterprises</td>
<td>22 FTEs</td>
</tr>
<tr>
<td>P12</td>
<td>Public or commercial buildings built or renovated</td>
<td>68m²</td>
</tr>
<tr>
<td>P11</td>
<td>Number of potential entrepreneurs assisted to be enterprise ready</td>
<td>81</td>
</tr>
</tbody>
</table>

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**. 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

<table>
<thead>
<tr>
<th>Employability</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>DurhamWorks</td>
<td>Two year (2016-18) Youth Employment Initiative (YEI) focusing on 16-24 year olds, providing employability and training support</td>
</tr>
<tr>
<td>Building Better Opportunities</td>
<td>Join ESF/Big Lottery Programme (2016-2019) focusing on people furthest from the labour market, run in Durham by Groundwork</td>
</tr>
<tr>
<td>NELEP Mainstream ESF</td>
<td>Employability, Active Inclusion and post YEI activities; including Skills Funding Agency and Department of Work and Pensions (DWP) opt-ins (2014-2020)</td>
</tr>
<tr>
<td>LA7 ESF Community Grants</td>
<td>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.</td>
</tr>
<tr>
<td>North East Mental Health Trailblazer</td>
<td>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</td>
</tr>
<tr>
<td>Talent Match&lt;sup&gt;28&lt;/sup&gt;</td>
<td>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)</td>
</tr>
<tr>
<td>DWP and Welfare Reform</td>
<td>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 requirement for new ESA claimants to participate in work-related activity/job search.</td>
</tr>
</tbody>
</table>

Education Health and Care Plans\textsuperscript{29} 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\textsuperscript{30} NHS provision providing support for those facing mental health issues, with peer supported learning

Stronger Families\textsuperscript{31} The Troubled Families Programme in Durham, which includes employability support.

Generation North East\textsuperscript{32} Connecting businesses with young (18-25) people (2015-18)

<table>
<thead>
<tr>
<th>Enterprise</th>
<th>Business support (advice, grants and loans); Competitiveness; Innovation; Low carbon and climate change mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>NELEP Mainstream ERDF</td>
<td>Mentoring, allowance and loans for benefits claimants</td>
</tr>
<tr>
<td>New Enterprise Allowance</td>
<td>Business improvement grants of up to £2,800 (requiring 65% match)</td>
</tr>
<tr>
<td>North East Business Support Fund</td>
<td>Training, employability and business support, including an ERDF project focussed on enterprise for 18-30 year olds</td>
</tr>
<tr>
<td>Prince’s Trust Programmes\textsuperscript{33}</td>
<td></td>
</tr>
</tbody>
</table>

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 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.

\textsuperscript{29} \url{https://www.gov.uk/children-with-special-educational-needs/extra-SEN-help}
\textsuperscript{30} \url{http://www.tewv.nhs.uk/site/care-and-treatment/service/ARCH%20Recovery%20College}
\textsuperscript{31} \url{http://www.countydurhamfamilies.info/kb5/durham/fsd/advice/page?id=Z8S_XRFtWCl}
\textsuperscript{32} \url{http://generationne.co.uk/process}
\textsuperscript{33} \url{https://www.durhamlocate.org.uk/Services/1921/Prince’s-Trust-Durh}
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 Equality issues. 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 economy 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.

Figure 3.9 Innovation

![Figure 3.9 Innovation Diagram](http://www.wrap.org.uk/about-us/about/wrap-and-circular-economy)
To support this activity, the LAG will implement a Development Fund that will provide small scale grants to individuals and groups to, 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 Development 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 development 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 Development Fund will be sourced from ERDF, and will not exceed 1.5% of total CLLD expenditure.

We expect therefore to make around 5 development 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. As a consequence the North Durham community has played a central role in the design, development and finalisation of this Local Development Strategy. This involvement has been facilitated through a variety of mechanisms and opportunities and has focussed on obtaining local intelligence on the strengths and weaknesses of the CLLD area and the communities and areas of specific need within it and on the ways in which CLLD and local communities and stakeholders can most effectively contribute to economic inclusion and participation and the growth of productivity, enterprise and employment. 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

<table>
<thead>
<tr>
<th>Activities</th>
<th>Outputs &amp; Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Desk research</td>
<td>LAG development</td>
</tr>
<tr>
<td>Fieldwork</td>
<td>Identifying area, need and opportunities</td>
</tr>
<tr>
<td>Synthesis</td>
<td>Developing objectives and actions</td>
</tr>
</tbody>
</table>

Co-operation and participation were embedded within the LDS development process with ongoing community involvement essential to the development of an LDS tailored specifically to the needs of the locality, while also serving to secure community ownership over the LDS and the proposed actions and priorities developed. Consequently the local community and public, private and voluntary and community sector partners were actively involved throughout this process through a multifaceted approach to engagement and involvement.

County Durham’s AAPs35 have provided an excellent community involvement framework for CLLD to build on and their partners and networks have been utilised extensively within LDS and LAG development processes.

35 See Section 1 or http://www.durham.gov.uk/article/1960/About-AAPs
4.2 Involvement Activities

An active programme of engagement has been undertaken in North Durham since the initial Call for Proposals was issued in October 2015. Since securing Preparatory Stage funding this process has comprised a range of activities and approaches, including:

- Extensive and ongoing engagement with local AAPs
- 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 North 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 North Durham area;
- Drop in consultation meetings in:
  - Chester-le-Street;
  - Stanley; and
  - Dipton;
- A series of Local Action Group meetings and consultation processes to refine, finalise and agree the LDS.

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 North Durham 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 Chester-le-Street & District, Stanley, and Derwent Valley Area Action Partnerships and their respective Task Groups; this included promotion via their email contact lists, Facebook, twitter and website pages; and
- Local voluntary and community sector and business and enterprise organisations.

The questionnaire elicited **124 responses** from across the public, private, voluntary and community sectors as well as individual residents. **Figure 4.2** over, provides an overview of respondents to the questionnaire. This shows that the consultation process secured
participation from individual residents and across the public, voluntary and community and private sectors, although representation was lowest among the latter. However, the participation of local business and enterprise networks both through the questionnaire and alternative involvement process described below has ensured strong representation from the private sector. Importantly almost a third of respondents (39 or 31%) expressed an interest in becoming members of the LAG, with interest secured from across the target participants sectors or groups.

**Figure 4.2: Questionnaire 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 8 meetings and events. This included:

- Board meetings of AAPs within the North Durham CLLD area;
- Meetings of relevant Task Groups of AAPs in the area, such as an Employment, Education, Training and Regeneration Task Group and a Welfare Reform & Employability Task Group;
- A drop-in event for County Councillors from wards covered by the North Durham CLLD area and adjoining wards;
- Meeting with the County Durham European Investment Group

More than 100 engagements were delivered through these events with a cumulative total of **102 attendees at these 8 events.** These meetings provided 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, which enabled participants to gain a greater understanding of CLLD, thereby ensuring that the intelligence gathered was tailored to what is possible through CLLD and associated ESF and ERDF funding.
At a later stage in the LDS development process 3 drop-in participatory planning sessions were held across the CLLD area. These events focussed on 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 in North Durham. A total of 44 participants attended these 3 sessions, including businesses, enterprise organisations, VCS organisations and local residents.

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 CDC Enterprise Agency and local and regional business networks such as the Federation of Small Businesses;
- VCS representatives including local specialist organisations such as Aspire and 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 North 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.

In total 17 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 North Durham and beyond. As a consequence these played an important role in

36 A Chester le Street based Women’s led development organisation.
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 17 person LAG appointed for the CLLD North Durham area, has played a central role in 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 LDS through email responses to the final draft.

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**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Engagements or conversations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Web based questionnaire</td>
<td>124</td>
</tr>
<tr>
<td>Events and drop-in sessions</td>
<td>146</td>
</tr>
<tr>
<td>Interviews</td>
<td>17</td>
</tr>
<tr>
<td>LAG Members</td>
<td>17</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>304</strong></td>
</tr>
</tbody>
</table>
5. Action Plan

5.1 Approach

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

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 North 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 that 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.

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 Development 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 of 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 Development 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. 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 5.1 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 5.1 Linkages

<table>
<thead>
<tr>
<th>Priority Areas</th>
<th>Funding Linkages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhancing economic inclusion</td>
<td>DurhamWorks&lt;br&gt;BBO&lt;br&gt;ESF Access to Employment theme&lt;br&gt;ESF Social Inclusion theme&lt;br&gt;Talent Match&lt;br&gt;NE Mental Health Trailblazer&lt;br&gt;Troubled Families Programme&lt;br&gt;NECA Community Grants</td>
</tr>
<tr>
<td>Stimulating entrepreneurialism</td>
<td>NEBSF&lt;br&gt;NEEAL Enterprise Support in the North East&lt;br&gt;ESF Social Inclusion theme&lt;br&gt;BBO&lt;br&gt;Prince’s Trust</td>
</tr>
<tr>
<td>Sustainable communities</td>
<td>ESF Social Inclusion theme&lt;br&gt;Big Local&lt;br&gt;NECA community grants</td>
</tr>
<tr>
<td>Enterprising spaces</td>
<td>ERDF SME Enterprise theme&lt;br&gt;NEA</td>
</tr>
<tr>
<td>Developing growth and enterprise</td>
<td>ERDF SME Enterprise theme&lt;br&gt;ERDF Innovation theme&lt;br&gt;NEBSF&lt;br&gt;NEA&lt;br&gt;NEEAL Enterprise Support in the North East</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Priority Areas</th>
<th>Focus</th>
<th>Activities</th>
<th>ESIF</th>
<th>Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhancing economic inclusion</td>
<td>Supporting those experiencing multiple disadvantage in the labour market</td>
<td>Training Wellbeing interventions Income maximisation</td>
<td>ESF</td>
<td>£467,696</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Working with individuals and communities to promote enterprise</td>
<td>ERDF</td>
<td>£290,371</td>
</tr>
<tr>
<td>Stimulating entrepreneurialism</td>
<td>Promotion of self-employment Enterprising culture</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustainable communities</td>
<td>Local development Development Fund</td>
<td>Investment linkages</td>
<td>ESF</td>
<td>£40,669</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Testing and prototyping</td>
<td>ERDF</td>
<td>£13,002</td>
</tr>
<tr>
<td>Enterprising spaces</td>
<td>Business space</td>
<td>Conversion and development of underutilised assets</td>
<td>ERDF</td>
<td>£130,017</td>
</tr>
<tr>
<td>Developing growth and enterprise</td>
<td>Business and employment</td>
<td>Business grants Information, advice and guidance Networking support</td>
<td>ERDF</td>
<td>£433,389</td>
</tr>
</tbody>
</table>

**TOTAL** £1,375,143

The outputs and results by priority are summarised in the **Part 1 Summary** over.
## CLLD Action Plan Part 1: Summary

<table>
<thead>
<tr>
<th>Types of Activity</th>
<th>Total Expenditure</th>
<th>ESIF Funding</th>
<th>ESIF Outputs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>ESF (a)</td>
<td>ERDF (b)</td>
</tr>
<tr>
<td>Enhancing economic inclusion</td>
<td>£779,494</td>
<td>£467,696</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stimulating entrepreneurialism</td>
<td>£414,815</td>
<td>£290,371</td>
<td></td>
</tr>
<tr>
<td>Sustainable communities</td>
<td>£86,356</td>
<td>£40,669</td>
<td>£10,002</td>
</tr>
<tr>
<td>Enterprising spaces</td>
<td>£185,738</td>
<td>£130,017</td>
<td></td>
</tr>
<tr>
<td>Developing growth and enterprise</td>
<td>£619,127</td>
<td>£433,389</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>£2,085,530</td>
<td>£508,365</td>
<td>£866,778</td>
</tr>
</tbody>
</table>
### CLLD Action Plan Part 2: ESIF Outputs (all falling into Transitional Region)

#### ESF Outputs and Results

<table>
<thead>
<tr>
<th>Output</th>
<th>Number to be delivered in</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>Number of participants</td>
<td>72</td>
</tr>
<tr>
<td>Participants that are unemployed including long-term unemployed</td>
<td>50</td>
</tr>
<tr>
<td>Participants that are inactive</td>
<td>19</td>
</tr>
<tr>
<td>Participants that are aged over 50</td>
<td>12</td>
</tr>
<tr>
<td>Participants that are from ethnic minorities</td>
<td>2</td>
</tr>
<tr>
<td>Participants that have disabilities</td>
<td>19</td>
</tr>
<tr>
<td>Results</td>
<td></td>
</tr>
<tr>
<td>Participants in education or training on leaving</td>
<td>14</td>
</tr>
<tr>
<td>Unemployed participants in employment, including self-employment on leaving</td>
<td>12</td>
</tr>
<tr>
<td>Inactive participants into employment or job search on leaving</td>
<td>5</td>
</tr>
</tbody>
</table>

#### ERDF Outputs

<table>
<thead>
<tr>
<th>Output</th>
<th>Number to be delivered in</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
</tr>
<tr>
<td>C1 Number of enterprises receiving support</td>
<td>3</td>
</tr>
<tr>
<td>C5 Number of new enterprises receiving support</td>
<td>2</td>
</tr>
<tr>
<td>C8 Employment increase in supported enterprises</td>
<td>2</td>
</tr>
<tr>
<td>P11 Number of potential entrepreneurs assisted to be enterprise ready</td>
<td>8</td>
</tr>
<tr>
<td>P12 Square metres public or commercial building built or renovated in target areas</td>
<td>34</td>
</tr>
</tbody>
</table>
## CLLD Action Plan Part 3: Financial Summary (all Transitional Region)

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) LAG Management &amp; Administration</td>
<td>£59,073</td>
<td>£78,764</td>
<td>£78,764</td>
<td>£78,764</td>
<td>£78,764</td>
<td>£78,763</td>
<td>£452,892</td>
</tr>
<tr>
<td>(b) LDS Project Expenditure</td>
<td>£137,514</td>
<td>£275,029</td>
<td>£275,029</td>
<td>£275,029</td>
<td>£275,029</td>
<td>£137,514</td>
<td>£1,375,143</td>
</tr>
<tr>
<td>Total LDS Expenditure</td>
<td>£196,587</td>
<td>£353,793</td>
<td>£353,793</td>
<td>£353,793</td>
<td>£353,793</td>
<td>£216,277</td>
<td>£1,828,035</td>
</tr>
<tr>
<td>Funding</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(a) ESF</td>
<td>£86,280</td>
<td>£148,931</td>
<td>£148,931</td>
<td>£148,931</td>
<td>£148,931</td>
<td>£98,094</td>
<td>780,101</td>
</tr>
<tr>
<td>(b) ERDF</td>
<td>£86,678</td>
<td>£173,356</td>
<td>£173,356</td>
<td>£173,356</td>
<td>£173,356</td>
<td>£86,678</td>
<td>866,778</td>
</tr>
<tr>
<td>(c) ESIF Total</td>
<td>£172,958</td>
<td>£322,287</td>
<td>£322,287</td>
<td>£322,287</td>
<td>£322,287</td>
<td>£184,772</td>
<td>1,646,879</td>
</tr>
<tr>
<td>(d) Public Sector Funding</td>
<td>£82,373</td>
<td>£149,309</td>
<td>£149,309</td>
<td>£149,309</td>
<td>£149,309</td>
<td>£90,092</td>
<td>769,699</td>
</tr>
<tr>
<td>(e) Private Sector Funding</td>
<td>£12,295</td>
<td>£24,274</td>
<td>£24,274</td>
<td>£24,274</td>
<td>£24,274</td>
<td>£12,452</td>
<td>121,844</td>
</tr>
<tr>
<td>(f) Total match funding</td>
<td>£94,668</td>
<td>£173,583</td>
<td>£173,583</td>
<td>£173,583</td>
<td>£173,583</td>
<td>£102,544</td>
<td>891,543</td>
</tr>
<tr>
<td>Funding Total</td>
<td>£267,626</td>
<td>£495,870</td>
<td>£495,870</td>
<td>£495,870</td>
<td>£495,870</td>
<td>£287,316</td>
<td>2,538,422</td>
</tr>
</tbody>
</table>
6. Management, Monitoring and Evaluation

6.1 Summary of the Local Action Group

The Local Action Group will be a non-constituted partnership. The membership of the LAG is provided in Figure 6.1, below.

Figure 6.1: LAG Membership

<table>
<thead>
<tr>
<th>Constituency</th>
<th>Name</th>
<th>Organisation</th>
<th>Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community member</td>
<td>Douglas Carmichael</td>
<td>Resident</td>
<td>A mix of experience covering community business</td>
</tr>
<tr>
<td>Community member</td>
<td>David William Moist</td>
<td>Resident</td>
<td>Ownership, health and community involvement and development and working with disadvantaged groups</td>
</tr>
<tr>
<td>Community member</td>
<td>Jenny Lawrence</td>
<td>Resident</td>
<td></td>
</tr>
<tr>
<td>Community member</td>
<td>Feisal Jassat</td>
<td>Resident</td>
<td></td>
</tr>
<tr>
<td>Community member</td>
<td>Amanda Hall</td>
<td>Resident</td>
<td></td>
</tr>
<tr>
<td>Community member</td>
<td>Nerise Oldfield-Thomson</td>
<td>Resident</td>
<td></td>
</tr>
<tr>
<td>Private sector</td>
<td>Marek Toraski</td>
<td>CDC Enterprise Agency</td>
<td>Business and enterprise support</td>
</tr>
<tr>
<td>Private sector</td>
<td>Kevin Howe</td>
<td>SHAID Ltd</td>
<td>Homelessness and housing</td>
</tr>
<tr>
<td>Public sector</td>
<td>Sgt. Dave Clarke</td>
<td>Durham Constabulary</td>
<td>Community safety and vulnerable groups</td>
</tr>
<tr>
<td>Public sector</td>
<td>David Tinmouth</td>
<td>Durham County Council, Economic Development</td>
<td>Supporting those furthest from the labour market</td>
</tr>
<tr>
<td>Public sector</td>
<td>Daniel O'Brien</td>
<td>Durham County Council, AAPs</td>
<td>Community involvement and development and working with disadvantaged groups</td>
</tr>
<tr>
<td>Public sector</td>
<td>Isaac Mitchell</td>
<td>Durham County Council, Culture &amp; Sport</td>
<td>Community involvement and development and working with disadvantaged groups</td>
</tr>
<tr>
<td>Voluntary &amp; community sector (VCS)</td>
<td>Stuart Hudson</td>
<td>Durham Christian Partnership, County Durham Foodbanks</td>
<td>Working with disadvantaged groups</td>
</tr>
<tr>
<td>VCS</td>
<td>Darren McMahon</td>
<td>PACT House/Youth and Community Stars</td>
<td>Youth involvement and development and working with disadvantaged groups</td>
</tr>
<tr>
<td>VCS</td>
<td>Jan Vincent</td>
<td>Aspire Learning, Support and Wellbeing</td>
<td>Women focussed learning, support, health and wellbeing</td>
</tr>
<tr>
<td>VCS</td>
<td>Helen McCaughey</td>
<td>Chester-le-Street Wellbeing Centre</td>
<td>Mental health and wellbeing</td>
</tr>
<tr>
<td>VCS</td>
<td>Ruth Blakey</td>
<td>Stanley Youth Project</td>
<td>Youth focussed community development</td>
</tr>
</tbody>
</table>

The LAG has 17 members in total, of which 4 (c.24%) are public sector representatives. In addition 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).

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 North 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 North 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 North 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 EOI 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** over provides an overview of the application and selection process
6.4 Monitoring and Evaluation

The performance indicators that will be used are shown in Figure 6.3, over. 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**

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

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. 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 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 £14,620 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 form 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 and 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 the North Durham CLLD area.

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** previously illustrated the range of experience within the LAG with members providing extensive local knowledge, expertise and practical experience that will shape and assist in the successful delivery of CLLD in North 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. 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. However, experience of ESF and ERDF is limited to a small number of members. Therefore, while CLLD and Accountable Body staff will provide much of the technical expertise required this 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 need. Guidance will be issued to LAG members to address these need.

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 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 North 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 52% 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 £452,892. 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 £181,157 to match an ESF contribution of £271,735 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 £2.5m. The project budget (not including Management and Administration) for the duration of the programme is summarised in Figure 7.1 over.
### Figure 7.1 Project Budget (excluding M&A)

<table>
<thead>
<tr>
<th>Priority Action</th>
<th>ESF*</th>
<th>%ESF</th>
<th>ERDF</th>
<th>%ERDF</th>
<th>ESIF</th>
<th>Match</th>
<th>Total</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Enhancing Economic Inclusion</td>
<td>£467,696</td>
<td>92%</td>
<td>£0</td>
<td>0%</td>
<td>£467,696</td>
<td>£311,797</td>
<td>£779,494</td>
<td>37%</td>
</tr>
<tr>
<td>(60% when M&amp;A incl.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stimulating Entrepreneurism</td>
<td>£0</td>
<td>0%</td>
<td>£290,371</td>
<td>34%</td>
<td>£290,371</td>
<td>£124,445</td>
<td>£414,815</td>
<td>20%</td>
</tr>
<tr>
<td>Sustainable Communities</td>
<td>£40,669</td>
<td>8%</td>
<td>£13,002</td>
<td>2%</td>
<td>£53,671</td>
<td>£32,685</td>
<td>£86,356</td>
<td>4%</td>
</tr>
<tr>
<td>(5% when M&amp;A incl.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enterprising Spaces</td>
<td>£0</td>
<td>0%</td>
<td>£130,017</td>
<td>15%</td>
<td>£130,017</td>
<td>£55,721</td>
<td>£185,738</td>
<td>9%</td>
</tr>
<tr>
<td>Developing Growth and Enterprise</td>
<td>£0</td>
<td>0%</td>
<td>£433,389</td>
<td>50%</td>
<td>£433,389</td>
<td>£185,738</td>
<td>£619,127</td>
<td>30%</td>
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<tr>
<td>TOTAL</td>
<td>£508,365</td>
<td>100%</td>
<td>£866,778</td>
<td>100%</td>
<td>£1,375,143</td>
<td>£710,387</td>
<td>£2,085,530</td>
<td>100%</td>
</tr>
</tbody>
</table>

* - Excludes M&A ESF contribution

The indicative allocation by year is summarised in the **Financial Summary for the Action Plan Part 3 (Page 55)**.

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. £181,157 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 Development 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 North 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:
  o Commit to attending LAG meetings and training sessions
  o Comply with confidentiality and code of conduct
  o Encourage a local, bottom-up approach
  o Review applications for funding for CLLD projects
  o Develop and apply project selection criteria
  o Provide comment and advice on projects
  o Discuss with other LAG members the strategic fit of projects with the LDS
  o Ensure lessons learnt from projects are widely shared
  o 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.

North 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;

(ii) you are required by law to do so;

(iii) 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

(iv) 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

(b) must, when using or authorising the use by others of the resources of the North 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 presentations, 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 North 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 North 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 North Durham CLLD LAG.

**Stewardship**

9. You should do whatever you are able to do to ensure that North 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
North Durham CLLD Local Action Group

Terms of Reference – June 2016

The Local Action Group (North 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 North 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.

Cenrifuge 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.
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, 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.

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.

Contact:

- Andy Palmer
  Tel: 03000 268551
- Gordon Elliot
  Tel: 03000 263605

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.