

EAST RIDING OF YORKSHIRE COUNCIL

Report to: The Cabinet
17 October 2017

Wards:

Bridlington North
Bridlington South
Bridlington Old Town & Central
East Wolds & Coastal

Yorkshire Coast Community Led Local Development Programme 2017-2022 (CLLD)

Report of the Director of Planning and Economic Regeneration

A. Executive Summary

This report sets out information on the Yorkshire Coast Community Led Local Development Programme 2017-2022 (CLLD). The Programme will support social inclusion and business development activity through assistance from European Structural Investment Funds. A bid was submitted by this Council, in collaboration with Scarborough Borough Council proposing that the Yorkshire Coast CLLD will be jointly administered. Confirmation was received at the end of July 2017 that the bid had been successful and funding agreements are expected to be issued imminently with a 30 day period for completion.

B. Corporate Priorities 2016-2021

Maximising our Potential
Valuing our Environment
Supporting Vulnerable People, Reducing Inequalities
Promoting Health, Wellbeing, Independence
Reducing Costs, Raising Performance

C. Portfolio

Economic Development and Planning Delivery
Transforming Lifestyles
Adult and Carer Services
Community Involvement and Council Corporate Services

D. Recommendation and Reason for Recommendation

It is recommended that:

- i) Confirmation be given for the Council to act as Accountable Body to administer the delivery of the Yorkshire Coast CLLD Programme in collaboration with Scarborough Borough Council;
- ii) the Council's match funding required to enable grant to be drawn down for the associated management and administrative staff costs for delivery of the CLLD be made available from the Economic Regeneration staffing budget and the Bridlington Regeneration Reserve until 2021/22 as set out at Section 4;

- iii) the Council enters into a partnership or accountable body agreement with Scarborough Borough Council relating to the administration of the CLLD if this is necessary;
- iv) Supplementary budgets totalling £7.301m are requested, including a capital budget of £1.857m to pay capital grants to businesses. The supplementary budget is funded by £6.893m grant and £0.408m contribution from the Bridlington Regeneration reserve; and
- v) Subject to agreement of the above, the Director of Planning & Economic Regeneration be given delegated authority to complete funding agreements and any necessary partnership or accountable body agreement within the specified timescales (i.e. 30 days).

E. Equality Implications

The equality implications have been fully evaluated and taken into consideration when formulating the recommendation(s) in the report. These are outlined in paragraph 2.9 of this report.

1. Background

1.1 The Yorkshire Coast CLLD Programme is multi-fund grant programme which aims to:

- support business and enterprise growth, sustainability, increase employment and increase commercial floor space built or renovated; and
- help those furthest from the labour market move closer to employment and develop their skills and experience.

The Programme requirements are specified by the European Structural Investment Fund with particular reference to specific operational programmes:

- European Social Fund (ESF); and
- European Regional Development Fund (ERDF).

It must be targeted at locations that demonstrate significant levels of disadvantage, and particularly Lower Super Output Areas that are in the 20% Most Disadvantaged, using the Index of Multiple Deprivation (IMD).

1.2 Funds have been allocated to the York, North Yorkshire and East Riding Local Enterprise Partnership (LEP) area. The LEP area was given indicative total funding of £6,894,454, to be split as follows:

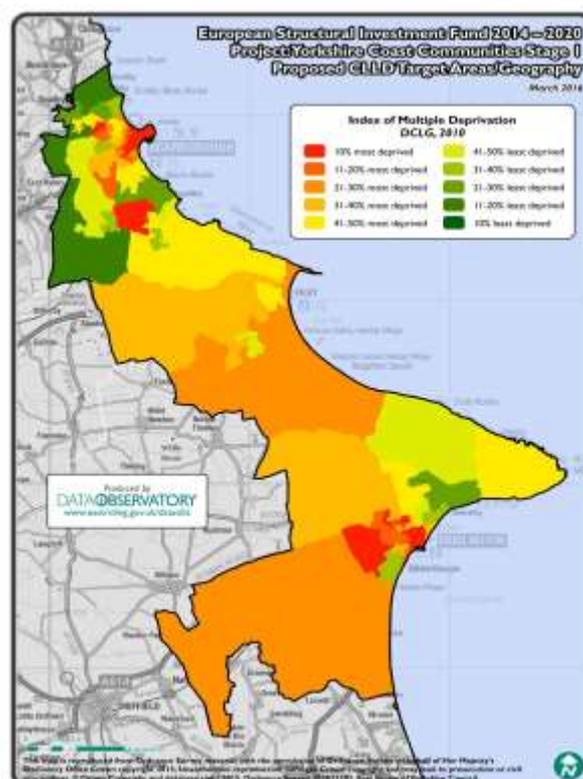
North Yorkshire County Council area	EU More Developed Area	£4,351,039
East Riding of Yorkshire Council area	EU Transitional Area	£2,543,415

This Council has successfully applied and been awarded the total amount of grant available of £6,894,454, to support programme delivery based on a section of the Yorkshire Coast covering Scarborough and Bridlington, and the areas between (including Filey). The grant funds must be distributed between the local authority areas in accordance with the above split.

1.3 The bid preparation included the publication and submission of the Local Development Strategy (LDS) which sets out how the Yorkshire Coast CLLD Programme has been developed and will be delivered, along with the aims, objectives and priorities, forecast outputs and results, and how the grant funds will be allocated to meet these.

- 1.4 The Yorkshire Coast CLLD Programme is specifically targeted at the area shown in the map at Section 1.6. This area demonstrates the characteristics and demographic data that the available funding programmes seek to address. Following initial proposals to cover the whole Yorkshire Coast, the area was scaled back to reflect the Functional Economic Geography that exists between Scarborough, Bridlington, and Filey. There is clear evidence of these communities inter-acting particularly involving travel to work, travel to learn, for health care, and for business development and economic growth. The coastal towns have much in common and it is expected that good practice will be shared through the common delivery arrangements. Work is continuing to support the other coastal communities outside the scope of this Programme, particularly where opportunities exist to attract external funding in relation to the Council's service priorities, and those of other local partners.
- 1.5 The Strategy for Regenerating Bridlington was established in 2004, and this Council has continued to prioritise investment into Bridlington to support major projects that deliver the strategy over the long term. The Strategy is an evidence based approach to address the shortcomings of the local economy, many of which are typical of seaside towns around the country. However, physical change is not the only part of the Regeneration Strategy that is needed to improve local economic conditions, and the Yorkshire Coast CLLD Programme provides the opportunity to provide other regeneration interventions in Bridlington to tackle a range of economic challenges. Priorities for the Programme are improving social inclusion, and providing support for business growth and enterprise. Bridlington has many parallels with Scarborough, who also have an Economic Development Strategy with significant emphasis on developing the skills of local people to enable opportunities to be realised from local economic and business growth along the Yorkshire Coast.
- 1.6 The Programme requires approximately 80% of the grant funding available to be directed to the Lower Super Output Areas (LSOAs) which are ranked within the Index of Multiple Deprivation (2010) 20% Most Disadvantaged i.e. red and dark orange.

Yorkshire Coast CLLD Area



- 1.7 It is proposed that this Council will be the Accountable Body for the Yorkshire Coast CLLD Programme, based on the capacity and expertise that exists within the Council to undertake management and administration of a complex funding programme of this type. Scarborough Borough Council has agreed to support the Council in its role as Accountable Body, and it is proposed that a partnership or accountable body agreement will be established to formalise this relationship. This Council will therefore report to the Managing Authorities for the respective grant funds as follows:

Fund	Managing Authority
European Social Fund (ESF)	Department of Work and Pensions
European Regional Development Fund (ERDF)	Department of Communities and Local Government

- 1.8 The processes for management of claims and production of evidence to support payments has been established over delivery in recent years of many similar EU funded programmes, many of which have been considered to be examples of best practice by the managing authorities. This specialist expertise has been invaluable during the development and bidding process, particularly the experiences gained through delivery of the Holderness Coast FLAG and LEADER programmes.

2. Yorkshire Coast CLLD Programme Delivery

- 2.1 The Yorkshire Coast CLLD Programme will particularly contribute to a range of Council Portfolios:

Economic Investment and Planning Delivery – by supporting business growth, enterprise, and skills development for the workforce;

Transforming Lifestyles – by removing inequalities and providing equity of opportunities, supporting residents’ wellbeing;

Adult and Carer Services – providing support for independent living through skills development and supporting individuals to become economically active;

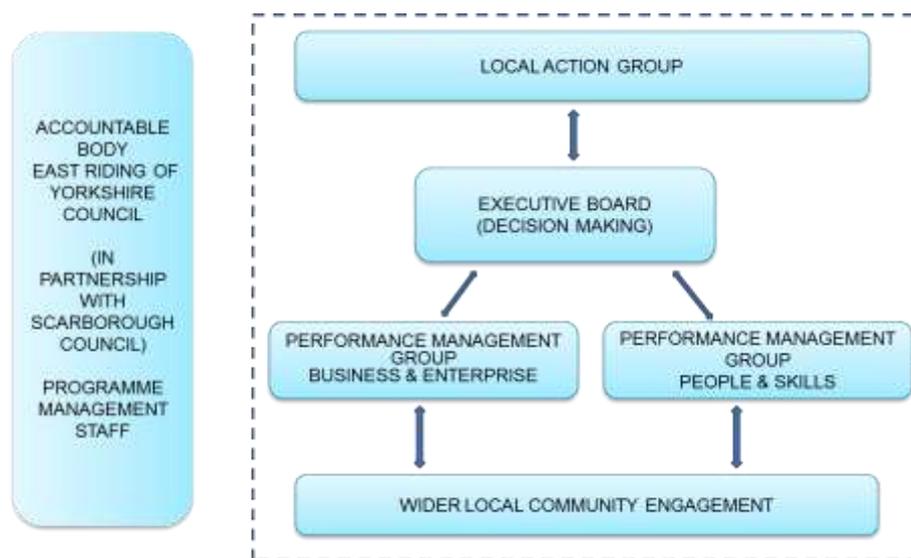
Community Involvement and Council Corporate Services – local partnerships will lead the delivery of the Programme, which will be influenced by the Localism Agenda, with active participation from the voluntary and community sector.

It will also contribute to all of the Council’s Corporate Priorities. Details of the Programme outputs are set in more detail at Section 3.

- 2.2 However, this Council and Scarborough Borough Council will not be delivering the individual CLLD projects. The grant funding will be made available to local projects, being promoted by third party organisations, which can show how they meet the objectives set out in the LDS and contribute to delivering the outputs and results that are required to achieve the aims of the Programme. This Council will manage the Programme, and administer, allocate and pay the grant funding to projects being developed and run by third parties. The grant funds paid to projects will then be claimed by the Council from the respective Managing Authorities. There will be a series of checks for eligibility and compliance, prior to the award of grant funding to a project, and during the project lifetime to ensure that projects are delivering their contractual requirements.

2.3 Whilst the Council will be the Accountable Body for the funds, in common with LEADER and the Holderness Coast FLAG, the CLLD must be “Community Led”. There are prescriptive requirements for the Community Led Local Development model of delivery for European Structural Investment Funds (ESIF). This includes the requirement to establish a Local Action Group (LAG), which for the Yorkshire Coast CLLD, comprises around 40 public, private and voluntary and community sector representatives. The LAG has the overall responsibility for delivering the LDS.

2.4 An Executive Group has also been established, which will fulfil the role of a Board, made up of LAG members who are responsible for making decisions on individual project applications, and for managing the strategic direction and performance of the CLLD delivery. The Executive Group is supported by two performance management groups (PMGs), one for ERDF applications and one for ESF applications. It is the role of the PMGs to consider project expressions of interest, including assessing strategic fit, evidence of local need, value for money and ensure there is no duplication with other projects and programmes in the local area.



2.5 There is a two stage application process to follow in order to apply for funding:

Stage 1 – An expression of interest, following advice on the project idea;
If approved applicants will be invited to move to Stage 2;

Stage 2 – The full application.

Only projects which support the aims of the strategy, and contribute an appropriate level of outputs, will be funded through the CLLD.

2.6 All applicants will require an element of match funding depending on the grant rate. This is based on the % of the total project costs.

Area (EU Category of Region)	Fund	Grant Available	Grant Rate	Match Requirement
Scarborough (more developed)	ERDF	£1,416,991	60%	40%
	ESF	£2,934,048	50%	50%
Bridlington (transitional)	ERDF	£1,306,357	70%	30%
	ESF	£1,237,058	60%	40%
Total Grant Funds		£6,894,454		

- 2.7 A team of management & administrative (M&A) staff will also be part funded by grant through the programme. The total cost of the M&A Staff is allowed to be up to 25% of the total value of the public funding in the programme. The proposed M&A staffing arrangements for the delivery of the CLLD are shown at Appendix 1. This is based on the grants being match funded from a combination of cash and existing staff costs from the Council and Scarborough Borough Council. Details are provided in Section 4, and the process for job evaluation, new posts to be established and subsequent recruitment (subject to funding agreements being completed) is on-going.
- 2.8 The CLLD will commence delivery when funding agreements have been completed, which is expected to be during October 2017. The CLLD is scheduled to end in March 2022.
- 2.9 Equality Implications have been an integral part of the programme development, application, and appraisal processes for preparation of the CLLD, in common with all ESIF Programmes. The Local Development Strategy includes the following statement :

The YC CLLD is committed to delivering a programme of benefits through a transparent process that promotes fairness, inclusion and respect for people from all sections of society, regardless of their age, disability, gender, sexual orientation, race, religion/ belief, and in which discrimination will not be tolerated.

Measures will be taken to ensure that:

- Decision makers assess, understand and manage the impact of their key decisions on protected groups;
- LAG Members improve their knowledge of target communities to better provide accessible and appropriate opportunities;
- All LAG communications (publications) are clear and easily understood.

All grant related activity (i.e. the seeking, analysis of applications for and payment of grant funding, etc) will be undertaken in line with the Accountable Bodies Corporate Equality Policy to ensure that all potential recipients have equal opportunity to access such funding.

3. Programme Outputs

- 3.1 The Programme has been developed in recognition of, and to respond to, the common issues facing coastal communities through a collaborative approach between the two neighbouring local authorities with jurisdiction for the Yorkshire Coast – Scarborough Borough Council (District) and East Riding of Yorkshire Council (Unitary).
- 3.2 The development stage of the project has identified the causes of barriers and failures, and has made links with the local communities facing these challenges, through their respected community leaders who have become involved in the development stage through the governance structure set out at Section 2.4. This has resulted in the early identification of project ideas, which can be developed into self-styled solutions aimed at responding to local conditions, in accordance with the aims of the grant funding Programmes.
- 3.3 This approach has enabled a community development programme to be established, which is tailored to local area characteristics and need, and empowering people across the community to provide longer term sustainable outcomes. The Local Development Strategy (LDS) provides full details of the local social and economic context, evidence of need for interventions, both through local community workshops, and also data analysis, intervention logic, objectives, and action plans under the four programme priorities:

Overall Strategic Objective

To significantly improve the opportunities for people in the CLLD area to contribute to and benefit from sustainable social inclusion and economic growth.

Specific Objectives

Increase local engagement activity in the target areas

Identify barriers experienced by target beneficiaries which prevent or limit contribution to economic activity

Improve the capacity for individuals and businesses to create and access economic opportunities in the CLLD area

Sustain and strengthen social inclusion and economic performance in the CLLD area

3.4 Programme outputs have been developed to capture the specific indicators for each programme:

3.4.1 European Social Fund (ESF) - there is significant potential to deliver additional, localised support particularly to people in the target disadvantaged areas, so that they initially become engaged in positive activities in their local communities, and in doing so, move towards or into employment. They will have the opportunity to acquire new and improved skills that will improve chances of subsequent employment. The specified target beneficiary groups for the ESF programme will be:

- over 50's age group;
- unemployed and long-term unemployed;
- economically inactive;
- people with disabilities;
- participants from ethnic minorities.

3.4.2 European Regional Development Fund (ERDF) - a range of actions will be developed to support local enterprise, increase local employment in small business and assist potential entrepreneurs to be enterprise ready through small scale community hub facilities in targeted areas. This will provide tailored business support activity, mentoring, coaching, information, advice and guidance. The specific indicators will be:

- Number of enterprises receiving support;
- Number of new enterprises supported;
- Employment increase in supported enterprises;
- Number of potential entrepreneurs assisted to be enterprise ready;
- Square metres of public or commercial building built or renovated in target areas.

3.5 In addition, a range of indicators are proposed to be used to assess and monitor the effectiveness of the Programme beyond the outputs listed in Section 3.4. This will help to determine the added value which projects deliver as a result of grant support, and will be taken from an established framework of indicators which helps to demonstrate the Social Return on Investment (SROI).

- 3.6 It is possible that both Councils will promote their own projects that will apply for the grant funds available from the Yorkshire Coast CLLD Programme. Any such project applications will be required to provide match funding, either from relevant service budgets, or from other sources of external funding. These projects will also need to pass the checks for eligibility and compliance, and show how they contribute to the Programme outputs at Section 3.4. There is significant potential for multi-agency approaches to consider the opportunity to add value to existing service delivery through this Programme.
- 3.7 The overall aim of the Programme is to deliver activity for a sustained period, that has potential to influence population level change by improving the Index of Multiple Deprivation rankings in the target areas. This will be enabled through the projects that are supported by grants through this Programme, and in doing so, the project outcomes will contribute to improving well being for residents and the economic growth potential of the Yorkshire Coast CLLD area.

4. Financial Implications

- 4.1 The Yorkshire Coast CLLD Programme aims to deliver £10.805m of social inclusion and business support eligible activity. It is proposed that this Council acts as Accountable Body for delivery. To enable this, the Management & Administration cost of the Programme is estimated to be £1.353m. Therefore, the total estimated Programme value of £12.158m as set out in the breakdown shown in the table.

Total Scheme Budget 2017-18 to 2021-22	Scarborough Borough Council	ERYC Current Approved Budget	Other Public & Private Project Sponsors	ERYC Revenue Supplementary Budget	ERYC Capital Budget	Total
	£m	£m	£m	£m	£m	£m
Management & Administration	0.183	0.046		1.124		1.353
Programme Delivery			4.627	4.321	1.857	10.805
Total Expenditure	0.183	0.046	4.627	5.445	1.857	12.158
ESF & ERDF Grant				5.036	1.857	6.893
Public & Private Sector Match			4.627			4.627
Scarborough BC Staff Match	0.183					0.183
ERYC Economic Regeneration Staff Match Budget		0.046				0.046
ERYC Economic Regeneration Reserve				0.408		0.408
Total Funding	0.183	0.046	4.627	5.445	1.857	12.158

- 4.2 Supplementary budgets totalling £7.301m are requested, including a capital budget of £1.857m to pay capital grants to businesses. The supplementary budget is funded by £6.893m grant and £0.408m contribution from the Bridlington Regeneration reserve.
- 4.3 For the Management & Administrative staff that will deliver the Programme, the contribution from East Riding of Yorkshire Council is proposed to be made up of the value of existing staff input, costing £0.046m and a contribution from the Bridlington Regeneration reserve of £0.408m. The match funding from Scarborough Borough Council towards the Management & Administrative staff costs will be made up from varying proportions of time spent by existing staff on the programme, plus one full time member of staff.

4.4 In addition, Scarborough Borough Council has committed £200,000 of capital funding to the programme, which will be available for match funding of projects that deliver benefits for the whole CLLD area.

5. Conclusion

5.1 Funding agreements are due to be received imminently and will be required to be completed within the next month.

5.2 The Cabinet is requested to consider the following recommendations:

- i) That this Council undertakes the role of Accountable Body to administer the delivery of the Yorkshire Coast CLLD Programme in collaboration with Scarborough Borough Council;
- ii) That the Council's match funding required to enable grant to be drawn down for the associated management and administrative staff costs for delivery of the CLLD be made available from the Economic Regeneration staffing budget and the Bridlington Regeneration Reserve until 2021/22 as set out at Section 4;
- iii) That this Council enters into a partnership or accountable body agreement with Scarborough Borough Council relating to the administration of the CLLD as necessary;
- iv) Supplementary budgets totalling £7.301m be established, including a capital budget of £1.857m to pay capital grants to businesses. The supplementary budget to be funded by £6.893m grant and £0.408m contribution from the Bridlington Regeneration reserve; and
- v) Subject to agreement of the above, the Director of Planning & Economic Regeneration be authorised to complete funding agreements and any necessary partnership or accountable body agreement within the specified timescales (i.e. 30 days).

Alan Menzies
Director of Planning and Economic Regeneration

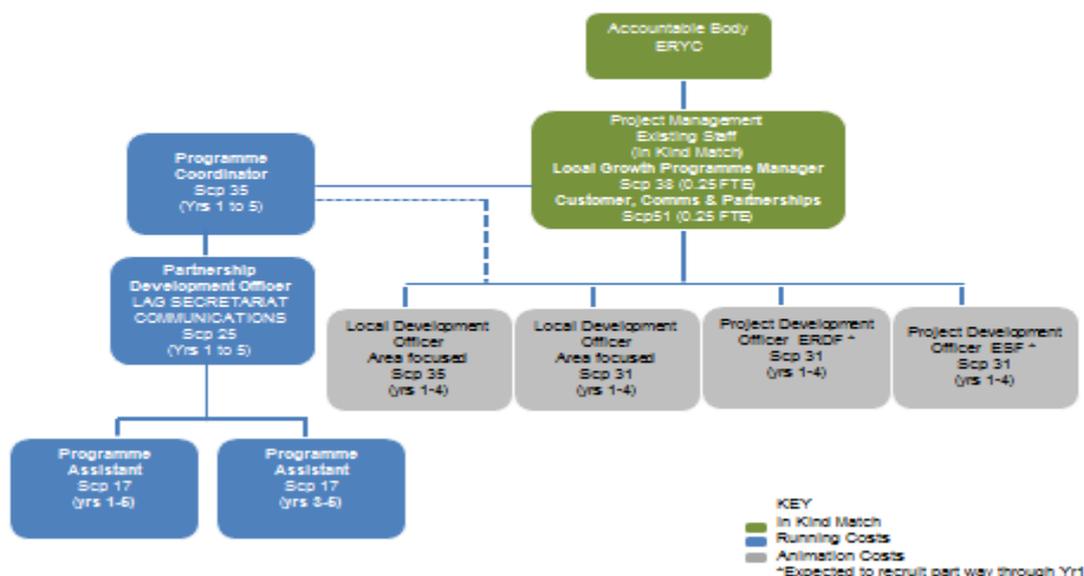
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Background Papers

Yorkshire Coast Community Led Local Development Local Development Strategy

Proposed Staffing Structure

Yorkshire Coast CLLD Staff Structure



MANAGEMENT AND ADMINISTRATION COST

ACCOUNTABLE BODY – ERYC	
EXISTING PROJECT MANAGEMENT STAFF (In kind match) Local Growth Programme Manager Scp 38 (0.25 FTE) Customer, Comms & Partnerships Scp51 (0.25 FTE)	
RUNNING COSTS	ANIMATION COSTS
Programme Coordinator scp35 X 1 post years 1 to 5	
Partnership Development Officer/ LAG Secretariat & Communications scp25 X 1 Post years 1 to 5	Local Development Officer scp35 X 1 posts years 1 to 4 each responsible for 3 target communities
Programme Assistant scp17 x 1 posts years 1 to 5 x 1 posts years 3 to 5	Local Development Officer scp31 X 1 posts years 1 to 4 each responsible for 3 target communities
	Project Development Officer scp31 X 2 posts years 1 to 4 1 ERDF focus* 1 ESF focus*

KEY
■ In Kind Match
■ Running Costs
■ Animation Costs
 *Expected to recruit part way through Yr1