

Report to: Cabinet

Date of Meeting: 2 November 2015

Report Title: Hastings and Rother Community Led Local Development (CLLD) bid

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Purpose of Report

- To brief members on the opportunity to apply for funding through the UK Community Led Local Development programme.
- To seek delegated authority to proceed with the multi-stage CLLD application process and, if successful, implementation of a CLLD programme targeting the most disadvantaged areas in Hastings and Bexhill.

Recommendation(s)

1. That authority be delegated to the Director of Operations, in consultation with the Lead Member for Regeneration, to:
 - Agree final submission for stage 1 and stage 2 CLLD applications.
 - Enter into negotiations and agreements with funding bodies and delivery partners.
2. That the Council serves as accountable body for a CLLD programme across the Hastings and Rother area.
3. That up to £20,000 of Council staff resources be committed as in-kind matched funding to enable draw-down of CLLD grant to support the development of a second stage bid.

Reasons for Recommendations

The CLLD programme provides an opportunity to secure funding for measures to link people in deprived communities to jobs, skills development and entrepreneurial activity. There is a very short timescale in which to submit a preliminary application which must include commitments that would then form part of later staged bids.

Based on the 2010 IMD results (on which CLLD is based) Hastings is the 20th most deprived town in the UK. Across Bexhill and Hastings, 24 wards are within the 20% most deprived in the UK. However there are areas of opportunity and business growth, and CLLD funding could help ensure that people in the most deprived communities are linked to these opportunities.

Background

1. Appendix 1 to this report provides a detailed background of the CLLD programme and the outcome of the local partnership work to date. It also sets out some of the indicative priorities and activities that could be delivered through a local CLLD approach.
2. The national CLLD programme has been subject to prolonged delays. The South East LEP first called, at very short notice, for expressions of interest in December 2013, and Hastings Borough Council was one of the few local authorities that submitted an expression of interest within the deadline. There was a subsequent second call which elicited interest from other areas.
3. The application process was initially expected to be early in 2014, but was only announced on 30th September this year. The accompanying guidance and criteria for bidding has altered substantially from the guidance issued in 2013.
4. Fundamental requisites of a successful CLLD application include:
 - a. The establishment of a Local Action Group, comprising local public, private and civil society representatives, who will bring forward and fund projects identified through a CLLD Strategy. In conjunction with the Accountable Body who will act as the applicant for the implementation stage, this group will also be accountable for the financial performance and delivery of the projects.
 - b. The development of a CLLD Strategy evidencing the specific and unique needs of the proposed CLLD area that can only be addressed through targeted interventions and that cannot be addressed through mainstream provision.
5. Council officers have consulted a range of organisations to identify likely priorities for a CLLD application. These include: Amicus Horizon, Department of Work and Pensions, East Sussex County Council, Education Futures Trust, Fellowship of St Nicholas, Hastings and Rother Clinical Commissioning Group (CCG), Hastings Intercultural Organisation, Hastings Mosque, Hastings Voluntary Action (HVA), Rother District Council, Rother Voluntary Action (RVA), Sea Change Sussex, and Sussex Coast College Hastings,
6. A small working group has been set up to develop the next stage of the process, and includes Amicus Horizon, CCG, HVA, RVA, Rother Council and Hastings Borough Council.
7. CLLD is a multi-stage process, and a flow chart is appended to show the various stages. A deadline of 24th November has been set for submission of an expression of interest which, if successful would release a grant of up to £20,000 for the development work that would be required in the later stages. The grant must be matched.
8. According to the latest guidance, preliminary expressions of interest will be assessed by the end of January 2016 and funding agreements completed in February 2016.

CLLD Investment Priorities

9. There are two funding streams (and two managing authorities), with differing but complementary investment priorities:

<p align="center">European Regional Development Fund</p> <p align="center">Managing authority: Dept of Communities and Local Government</p>	<p align="center">European Social Fund</p> <p align="center">Managing authority: Dept of Work and Pensions</p>
<ul style="list-style-type: none"> • Building capacity within communities as a foundation for economic growth in deprived areas. • Tailored business support activity, mentoring, coaching, information, advice and guidance. • Small equipment grants. • Provision of small scale community hub facilities to support Small and Medium Enterprises. • Support to embed and apply innovation in a local context that builds on community assets in pursuit of jobs and growth. 	<ul style="list-style-type: none"> • Embedding access to opportunities for growth for all areas and groups. • Addressing persistent levels of unemployment, economic inactivity and poverty, particularly in urban areas • Promotion of entrepreneurship and access to local services and amenities.

Indicative CLLD programme value for Hastings-Bexhill

10. The minimum total budget for a CLLD programme is €3m (approx £2.3m). Programme match funding requirement is 50% (with the balance coming from ERDF and ESF).
11. The current indicative proposal for Hastings and Bexhill is:

ERDF + ESF grant	£4,205,000 (60% ERDF, 40%ESF)
Match contribution	£3,364,000 (public/private)
Total indicative budget	£7,569,000

Policy Implications:

12. Equalities and Community Cohesiveness: a successful CLLD bid will directly address issues of inequality and cohesion.
13. Economic/Financial: CLLD is likely to be highly competitive and there is a risk that cost of the staff time spent on developing the bid (and contributing the matched requirement to draw down the £20,000 development grant) would not result in CLLD funding for Hastings. A successful bid, however, has the potential to draw down up to £4.2m European funding (ESF and ERDF) to address economic exclusion in Hastings and Bexhill, which far outweighs this risk.
14. Local people's views: a fundamental principle of CLLD is that it delivers targeted solutions to issues that have been identified by the local community as barriers to economic inclusion and growth. The delivery of the solutions will be based within and led by the community.
15. Anti-poverty: if the CLLD bid is successful, the programme will target the most deprived communities in Hastings. There will be a range of specific measures focused on helping people gain employable skills and jobs, and will support local entrepreneurs.

Wards Affected

ALL

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	x
Crime and Fear of Crime (Section 17)	
Risk Management	
Environmental Issues	
Economic/Financial Implications	x
Human Rights Act	
Organisational Consequences	
Local People's Views	x
Anti-Poverty	x

Additional Information

CLLD Call document:

https://assets.digital.cabinet-office.gov.uk/media/560b9cac40f0b6036d000017/South_East_CLLD_OC30R15L0218.pdf

Appendix 1 CLLD Background paper

Appendix 2 CLLD Flow Chart

Officer to Contact

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What is Community - Led Local Development (CLLD)?

1. Community-Led Local Development (CLLD) is one of the European Structural Fund investment priorities under the Promoting Social Inclusion and Combatting Poverty Thematic Objective. Initially modelled on the LEADER programme, it is a tool aimed at sub-regional levels (areas with between 10,000-150,000 populations). CLLD programmes will be based on a partnership of public, private and civil society sectors coming together to form a Local Action Group (LAG) that will develop and drive the delivery of a Local Development Strategy (LDS) for a period of five years.
2. The main principles behind the programme are that:
 - CLLD is community-led, by local action groups composed of representatives of local public and private socio-economic interests;
 - CLLD will be carried out through integrated and multi-sectoral area-based local development strategies, designed to take into consideration local needs and potential;
 - CLLD will mobilise and involve local communities and organisations to contribute to achieving the Europe 2020 Strategy goals of smart, sustainable and inclusive growth, fostering territorial cohesion and reaching specific policy objectives;
 - CLLD seeks to develop a single methodology, which will allow for connected and integrated use of all relevant funds not simply those from CLLD programmes to deliver local development strategies.
3. The emphasis is on co-production – with the people who were previously passive beneficiaries of a ‘policy’ becoming active partners and drivers of its development.’ However while holistic in approach, the programme will be required to deliver on getting people into jobs, or at least nearer to the jobs market and on creating jobs and economic growth.
4. Funding for CLLD will come from Local Enterprise Partnerships’ funding allocations from the European Regional Development Fund (ERDF) and the European Social Fund (ESF). The budget available for this within the South East LEP area is £9.991m. Bidding for CLLD funding is a competitive process.

Hastings and Rother CLLD

5. Hastings Borough Council, working closely with Hastings Voluntary Action, Rother District Council, Rother Voluntary Action and other local organisations have been working together to identify likely priorities for a local CLLD programme. The programme will focus on the most disadvantaged communities within Hastings and Bexhill particularly Central St Leonards and Gensing in Hastings and Sidley in Bexhill. This work began in late 2013 and an initial expression of interest was submitted to the South East LEP in January 2014, which was subsequently included in the South East LEP’s European Structural Investment Framework Strategy.
6. This CLLD will target the most deprived wards and SOA’s in Hastings and Bexhill with a total population of 76324. (see map-tabled)
7. It will capitalise on strong existing relationships with developers of housing and employment spaces, Social housing providers (Amicus Horizon), the University of Brighton, Colleges, Schools, voluntary and community organisations, the clinical commissioning group, and those working in the cultural economy to develop and deliver a robust suite of activities with the aim of connecting opportunities to those in greatest need. There is considerable experience amongst partners in operating this kind of structure through both Hastings FLAG and LEADER.

Indicative Match and Budget

8. The minimum total budget for each CLLD Programme is 3m euros (c £2.3m), with the programme match funded at programme level at 50% (with remaining 50% coming from the ERDF + ESF grant).

The current proposal for Hastings and Bexhill CLLD programme is:

- ERDF + ESF grant £4,205,000 [ratio of ERDF (60%), ESF (40%)]
- Match contribution £3,364,000 [public/private] (ESF requires 50% match; ERDF 40%)
- Total indicative budget £7,569,000

The opportunity and need for a Hastings and Rother CLLD

9. Hastings and Bexhill are at a pivotal point in their regeneration. Within the area, key programmes of regeneration are well advanced and this proposal aligns with the long-term activity of Sea Change Sussex which has developed much of the physical infrastructure to transform the area's investment potential, providing business support services and improvement of local education. Developments such as Hastings Pier, White Rock Baths and investment on our seafront from Coastal Communities Funding are having positive effects in boosting the visitor economy and creating more jobs.
10. Strategically, HBC places strong emphasis on the role of arts and cultural in the ongoing regeneration of the town. This is articulated in our current Corporate Plan, our joint Six Point Plan and in our Cultural Regeneration Strategy. We are working with regional partners, in particular East Sussex County Council and Rother District Council to ensure that investment in the creative sector is applied strategically to strengthen the visitor economy across 1066 Country (the tourism area covering Hastings, Rother District and parts of Wealden District), while addressing issues of job creation and social cohesion, and using these as driving components of arts provision in schools and colleges. ROOT1066 will mark the 950th anniversary as a national cultural event, facilitate long-term international partnerships and launch a new phase of culture-led regeneration for the area.
11. The above regeneration activities are all happening now and during 2016, and their legacy will be capitalised on by the CLLD programme which is due to commence spring 2017.
12. Other development sites which will come online during the proposed CLLD timescale (2017-2022) will also add opportunities for locally led development to this programme. These sites will have a strong cultural focus, and will build upon the micro business landscape of the area, linking into proposed programmes run by key partners within the LAG.
13. With these developments in mind our task is now to ensure that the opportunities presented are open to all and that our drive for better jobs and business opportunity is matched by our commitment to social inclusion and the types of support which will ensure that regeneration is truly a process which impacts positively on the whole community.
14. With gentrification evident in some areas, further development of our primary, secondary and tertiary education provision, growth of employment spaces and provision of further mainstream and structural funds, there is danger of a widening gap within the most deprived wards and with their more prosperous surroundings. Individuals within these most deprived areas are unable to access more traditional funding schemes, to begin working towards employment/enterprise.
15. This CLLD's main aim is to prevent the gap from widening and work towards closing it. It will give individuals the skills and opportunities to gain employment, the tools and ongoing support needed to start and maintain their own enterprises; and on the pathway to being able to access more traditional avenues of support (and will then articulate with the wider East Sussex/LEP initiatives

and ESIF programmes such as Business East Sussex and Skills East Sussex, BBO/ DWP ESF and ERDF calls).

16. It is also envisioned that CLLD will go some way to counter the negative impact of the continued levels of deprivation outlined below.

17. Hastings and NE Bexhill were granted Assisted Area status in July 2014, in recognition of market failure.

18. Additional statistics:

- Despite traditional programme investment over many years Hastings remains the most disadvantaged district in South East England. Hastings has shown the lowest median income in the South East of £18,876 per year and the lowest amount of people in some form of work with only 31,200 people (Business Register and Employment Survey (BRES) October 2014).
- Hastings has also shown the largest number of people unemployed in an East Sussex town of 1,346 (Office for National Statistics/NOMIS, July 2015).
- The prospect of getting a job in Hastings is also the lowest in south England with only 0.65 jobs available per person of working age (NOMIS/Office for National Statistics). Unemployed numbers are concentrated in the most deprived wards in Hastings and in Sidley in Bexhill.
- Hastings has the largest number of people in the south east, 19,956, with long-term health problems or disability (2013, Office for National Statistics (ONS), KS301). The proposed next stage of welfare cuts of up to £30pw to the sick and disabled could have a huge impact in increasing the levels of poverty and economic disparity.
- This geographical area also has the highest percentage of young people in the county living in poverty with 26.7% compared to England of 18.6%.
- The largest number of young people living in poverty is in Central St Leonard's - 40.9% and Baird 39.6% (HM Revenue & Customs, Children in Children in Low-Income Families Local Measure statistics).

These figures have a far wider economic impact and currently negatively affect inward investment, the visitor economy and attracting students from outside the area to study here.

Potential Activities and Outputs

19. As previously outlined this CLLD will work with the most disadvantaged neighbourhoods and will link communities to skills and opportunities, working thematically as well as in neighbourhoods to support enterprise, create jobs and get people on the path to paid employment:

Theme	Activity	Outcomes
Communities	Work with St Leonards/Gensing and Sidley to address priority needs, and promote economic growth and community activities that link people to opportunities and skills; Work with the local BME communities to support and develop businesses and to link people into training, and support in the wider economy.	More local entrepreneurs will set up viable businesses and help others to do the same, making the most of digital technology.
Skills and opportunities	Employability: Work with adults from disadvantaged communities who are not in work but not necessarily on benefit (including those over 50) to help them develop their potential. Within this broad priority we are looking at how to support the most disadvantaged, possibly through individual support linked with a nominal budget and menu of training and activities Enterprise and Innovation: Work with local entrepreneurs on how to turn ideas into viable businesses and support entrepreneurs (including social entrepreneurs) in disadvantaged communities	Social enterprises will expand, creating jobs and opportunities for volunteering and work experience.
Cultural Regeneration	Developing basic skills , in particular entrepreneurial skills, through engagement in arts and cultural activity.	People who are not working, including older people, will get support to

	<p>Building on the tradition of festivals in the area to provide opportunities and entry points for people in the target communities.</p> <p>Building the more engaged creative practitioners and businesses in St Leonards and more widely, with those less engaged to raise aspiration</p>	<p>get into training and paid work.</p> <p>Local people will benefit from opportunities in new developments along the link road and seafront and from the expanding cultural and creative sector and visitor economy.</p>
Digital by Choice	<p>Enable people from disadvantaged communities and businesses to access and make effective use of digital technology.</p>	
Brokerage of opportunities	<p>Assisting local people to get work in new developments such as the housing construction in North Sidley and industrial sites on the new link road between Hastings and Bexhill.</p>	

20. Next Steps

Stage 1: Preparatory Stage

- Call for the preparatory stage opened on 30 September. The application for preliminary funding needs to be made by 24th November. This will unlock up to £40,000 of funding (50% match) to support the on-going bid development, including the development of a strategy.
- A Local Action Group (LAG) – a partnership of the community, business and public sector will be established. The LAG will lead on the development of the bid and implementation.
- An accountable body will be identified (likely to be HBC).

Stage 2: Application stage

- The LAG will have up to six months from March to end of August 2016 to develop and submit a draft strategy; local residents, community and voluntary organisations and businesses will be involved in this process. This will be a competitive process with successful bids being notified by end of October 2016..

Stage 3: Implementation stage

- Full applications will need to be submitted by end of December 2016 for both ESF and ERDF detailing how the strategy will be implemented.
- The LAG will need to identify at least 50% match funding to support the full ESF application and 40% for the ERDF application.
- Upon successful approval of the full application, the implementation and roll-out of the strategy would begin early spring 2017 for a period of 5 years.

Stage 2 of the process will be accessed competitively against other partnerships across the UK and within the SELEP region. It is anticipated bids within SELEP will include Thurrock, Folkestone, Dover, and Ramsgate as well as Hastings/Bexhill. It is unlikely the funding available will be sufficient to fund this programme in all places and therefore a real level of competition is likely to exist.