



European Union
European Structural
and Investment Funds

Sunderland Local Development Strategy

October 2017-December 2022

Submission to Government

(31 August 2016)



Community Led Local Development (CLLD)

Updated - October 2017

Contents Page

Ref.	Section	Page No.
	Foreword	3
	Executive summary	4
1.0	Introduction & vision	6
2.0	Area profile	11
3.0	Development needs and potential	19
4.0	Strategic objectives, actions and performance indicators	29
5.0	Community engagement process	40
6.0	Governance and management arrangements	44
7.0	Financial plan	52

Foreword

The Sunderland Local Action Group (LAG) is delighted to present the Local Development Strategy for Sunderland's Community Led Local Development (CLLD) area.

The Local Development Strategy (LDS) presents a compelling case for the target area through detailed socio-economic analysis of the area, independent research to identify gaps in provision, and extensive engagement with stakeholders and client groups to agree local priorities for action. Crucially, LAG members have been actively involved in writing the strategy, drawing on their knowledge and experience of the local area.

While the city has been successful in some areas, growing new local businesses, attracting significant inward investment and transforming key sites through regeneration, some residents have not been able to benefit from these opportunities. This is why we wish to embrace CLLD to improve employment prospects for those individuals who have been marginalised from previous economic investments, to raise awareness and promote new enterprise activity, and to build local capabilities.

With relatively modest levels of funding support over its lifetime, we believe that the strategy can make a big difference to the target communities. Indeed, perhaps the key challenge of the strategy will be to help connect the CLLD area to the major investments and potential growth opportunities that are planned over the next 5-6 years.

The LAG believes that it is critical that Sunderland gets the opportunity to make the most of the CLLD model over a 5-year timeframe. The time, energy and commitment that local partners have already invested in CLLD provides ample evidence of its significance and the added value that can be achieved, building on previous successes, creating new forms of partnership working, and improving community leadership and capacity-building.

The LAG recognises that it must target investment carefully and strategically and that CLLD cannot be the answer to all local challenges. However, the LAG is enthusiastic about progress to date and the potential of CLLD to address specific local priorities with different solutions, as well as to unlock new funding opportunities and trigger spin-off activities.

We are confident that the measures proposed will achieve a transformational change and ensure that more residents in the target area can benefit from new employment and business growth in the city and wider North East economy.

We look forward to receiving feedback on the strategy.



Mark Saddington, Chair



Michal Chantkowski, Vice-Chair

Executive summary

Section 1 – Introduction and vision

This section provides an introduction to the strategy's key principles, vision and 3 strategic objectives. It also sets out the CLLD geography explaining why the LAG has chosen to focus on this area.

Section 2 – Area profile

This section provides a strong evidence base to support the CLLD rationale. Within the NELEP 'More Developed' area, Sunderland is the most deprived in terms of education, skills and health deprivation and ranks second behind South Tyneside on income and employment deprivation (IMD, 2015). The area profile provides an overview of the key issues affecting the target area including: deprivation; social inclusion and poverty; employment, skills and education; health and well-being; enterprise and business; community capacity and infrastructure.

Section 3 – Development needs and potential

This section presents the findings of the local strengths, weaknesses, opportunities and threats (SWOT) facing the CLLD area, and how this analysis has helped to shape the strategy. The SWOT has been developed using a range of methods and sources as follows:

- SWOT workshop with local partners;
- Presentation and challenge sessions with Area VCS networks;
- Presentation and challenge sessions with local elected members;
- Commissioned research and consultation with local stakeholders;
- Audit and review of existing opportunities, programmes and assets;
- Gap analysis of employment, skills and enterprise provision;
- Analysis of the development needs of the CLLD area;
- Horizon scan of the opportunities and threats;
- Review of local action plans, strategies and policies.

Section 4 – Strategic objectives, actions and performance indicators

This section covers the following areas:

- The strategic objectives and actions that the strategy will concentrate on;
- The rationale for focusing on these objectives;
- Examples of the types of activities that might be supported;
- How each of the proposed objectives are SMART;
- Links to other activities within the strategy and operating outside its scope;
- The monitoring and evaluation plan setting out how the LAG plans to measure progress and wider impacts;
- Outputs, results, impacts and other performance indicators;
- Lessons learned and good practice to be drawn upon when designing activities and implementing the strategy.

Section 5 – Community engagement process

This section provides a description of the process of engagement in the LDS at the preparatory and implementation stages. The strategy document is the culmination of

extensive consultation, engagement and research stretching back to September 2015 when the opportunity to get involved in Sunderland's approach to CLLD was opened up to over 600 organisations in the city from all sectors and communities. All of the LAG members have been actively involved in shaping and writing the strategy and in overseeing the local research work commissioned to support the rationale for using CLLD. This section also sets out the plans for communication during the delivery stage of CLLD.

Section 6 – Governance and management arrangements

This section summarises the governance and business processes that will be put in place to manage and monitor the strategy. It includes:

- A description of the LAG, its membership and role with reference to appropriate terms of reference and conflicts of interest;
- Training and development requirements;
- Equal opportunities and gender equality statement;
- Environmental sustainability;
- Innovation;
- The role of the Accountable Body and the structures and processes that will be established to support the delivery of the strategy;
- Risk and issues plan;
- Timetable of key milestones.

Section 7 – Financial plan

This section sets out the financial assumptions that have been made to develop a 5-year budget for activity and programme administration costs. A breakdown of the forecast budget is provided in this section.

In order to be able to deliver a meaningful strategy that can have a real impact on the local communities, the LAG's strategy is based on an assumption that it will secure £3.05m from European sources, £2.15m European Social Fund and £0.9m European Regional Development Fund. Financial assumptions to support the preparatory work (Oct 16-Sep 17) and closure period (Apr-Dec 22) have also been factored in. There is also scope to shorten delivery into a 3 year programme if required.

1.0 Introduction & vision

Introduction

On 30 November 2015 Sunderland City Council on behalf of a wide range of partners, and following a 2-month period of intensive consultation, submitted 2 applications for funding to support the development phase of CLLD. Since approval of this funding in February 2016, the LAG (previously known as the CLLD Steering Group) has worked extremely hard to achieve the aims of the development phase, by:

- Creating a sustainable, locally led strategy that focuses on three key objectives aimed at reducing concentrations of deprivation, addressing disparities in economic performance and identifying local solutions to deliver local priorities;
- Creating an open and transparent governance model that brings together a balanced mix of representatives from the Voluntary Community and Social Enterprise (VCSE), private and public sectors and specific equality groups;
- Improving our understanding of the gaps in provision and the disconnections and disparities within areas and among target groups, through widespread consultation, research and a detailed socio-economic analysis of the target area.

The LAG believes that this strategy provides a strong case for justifying the use of the CLLD model in Sunderland and presents an exciting opportunity to work together to develop and oversee the implementation of local actions.

In line with European and national guidance on CLLD, the strategy is underpinned by four key principles, to:

- Target investment on activities which are eligible for ESF or ERDF support;
- Ensure that resources are used to add value to existing provision;
- Ensure alignment and consistency with local priorities and the aspirations of local stakeholders, client groups and strategic partners;
- Support activities that are innovative.

Vision and objectives

The vision for the LDS is:

To improve the connections between areas of need and opportunity by responding to community and resident priorities in the target CLLD area of Sunderland, by engaging and empowering local people and stakeholder groups, by investing in enterprise, employability and skills support, and by building community capacity, leadership and resilience.

The vision reflects the on-going observation by stakeholders that despite economic growth opportunities, some communities and individuals are still missing out on the benefits. The disconnections that exist are challenges that CLLD will aim to tackle through a range of targeted investments, as well as through improved cooperation and communication.

The LDS and its supporting documents provide a robust picture of what other projects and provision exists; the LDS will therefore only focus on priorities where it can add real value to these other efforts, rather than duplicate existing or planned investments.

From the vision, 3 strategic objectives, and a series of actions, have been identified as follows:

Strategic objective 1: Enhancing employment and skills provision

Action 1.1 - Effective engagement, finding and sign-posting

Action 1.2 - Support towards, into and during employment

Strategic objective 2: Boosting enterprise and entrepreneurship

Action 2.1 - Inspiring an enterprising community

Action 2.2 - Creating sustainable enterprises - pre-start and start-up support

Strategic objective 3: Improving community capacity, partnership working and social innovation

Action 3.1 - Investing in community leadership and capacity-building

Action 3.2 - Promoting social investment opportunities

In order to deliver the strategy the LAG is seeking a contribution of £2.15m from the European Social Fund and £0.9m from the European Regional Development Fund. The indicative breakdown of ESF, ERDF and match funding by objective and action is summarised below.

	ERDF	ESF	Other funds	Total	% LDS allocation
Programme management		£0.3m	£0.3m	£0.6m	10.35%
Objective 1					
Action 1.1		£0.25m	£0.25m	£0.5m	8.6%
Action 1.2		£0.9m	£0.9m	£1.8m	31%
Objective 2					
Action 2.1	£0.3m		£0.2m	£0.5m	8.6%
Action 2.2	£0.6m		£0.4m	£1.0m	17.25%
Objective 3					
Action 3.1		£0.35m	£0.35m	£0.7m	12.1%
Action 3.2		£0.35m	£0.35m	£0.7m	12.1%
Total	£0.9m	£2.15m	£2.75m	£5.8m	100%
% of LDS funds	15.5%	37%	47.5%	100%	

The level of resource requested is justified by the scale and severity of deprivation in the target CLLD area of Sunderland, compared with other potential CLLD areas seeking funding support. Through the analysis of IMD data, mapping of provision, research work and consultation with client groups and stakeholders, the LDS is able to demonstrate a strong case for targeting support at specific areas and individuals facing the most severe disconnection or disadvantage, particularly those estates and communities that rank in the

top 10-20% most deprived. This level of resource will allow local projects of sufficient scale to operate and tackle specific barriers to employment, skills and enterprise. It will also support the development of capacity-building and social integration initiatives that will lead to strengthened local supply chains, more collaboration between private, VCSE and public partners, and improved connections between local residents and community development, training, employment, career and business development opportunities.

The strategy seeks to create added value and have a positive impact on a number of beneficiary groups - those individuals seeking work and access to training and skills support, vulnerable individuals who require more intensive support, VCSE organisations delivering new projects for key target groups, the wider community in general, potential entrepreneurs and the existing business community. The added value that the strategy will create will take a number of forms:

- It provides a medium term investment opportunity of up to 5 years, with the benefits of investment staying in the target area;
- It will empower local communities to identify priorities in their area and develop innovative local solutions;
- It will improve the alignment of funding and activity, enabling the introduction of new projects that respond directly to community needs;
- It will lead to increased community resilience by investing in projects that tackle social inclusion through targeted employability and skills support, community enterprise activities and capacity-building.

As well as delivering a range of wider performance indicators, detailed in the monitoring and evaluation plan in section 4, the strategy will aim to achieve the following outputs and results.

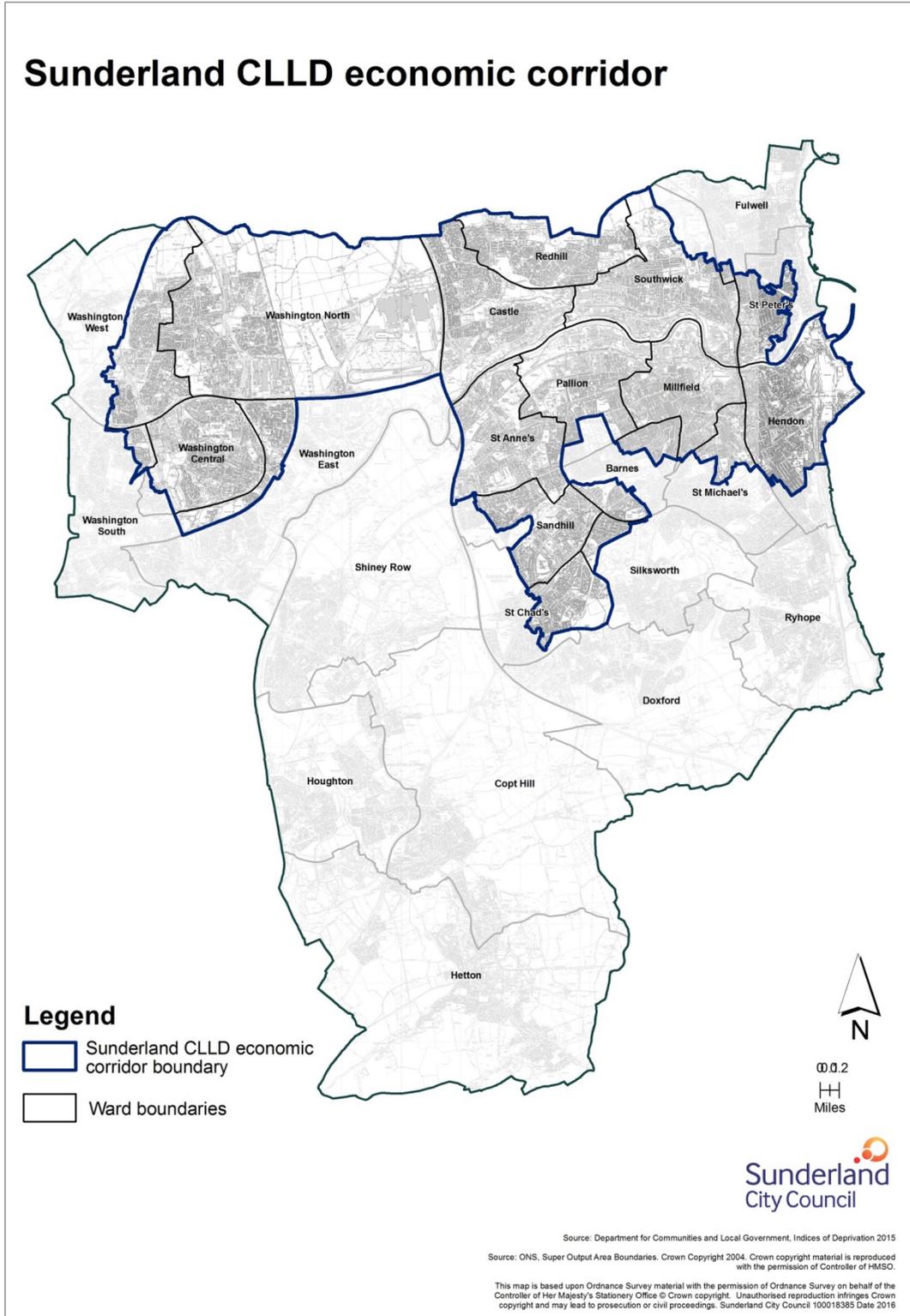
Overview of outputs and results

- Over 2,200 beneficiaries assisted through employability, training and skill development activities;
- 419 participants progressing to employment or training after the support;
- 259 unemployed participants in employment, including self-employment on leaving;
- 171 inactive participants into employment or job search on leaving;
- Over 300 potential entrepreneurs assisted to be enterprise ready;
- 155 enterprises receiving support, of which 109 will be new enterprises;
- An employment increase of 116 FTEs in those enterprises supported.

The Target area

The strategy is focused on the most deprived areas of Sunderland’s urban core, and Washington in the west, along the Sunderland Strategic Transport Corridor.

Map 1: Sunderland CLLD ‘target area’



The target area comprises a population of 146,108 of which 85,588 (or 58.6%) live in Lower Super Output Areas ranked in the 20% most deprived. CLLD investment will target those areas and LSOAs with the most serious disadvantage, particularly those that rank in the top 10% (44,930 people). The most deprived areas include specifically entrenched clusters in Pallion, Redhill, Southwick, Millfield, Sandhill and Hendon and an emerging cluster in Washington North.

This corridor represents a coherent and functional economic geography of LSOAs with some of the highest concentrations of deprivation in the NELEP area (according to both IMD 2010 and 2015 data). The LAG has consulted widely on the proposal and has received support from all four of the Area VCS Networks that cover the target area.

The agreed geography will allow the flexibility to fund pilot projects for the most disadvantaged groups in the most deprived areas of the city, while avoiding, wherever possible, 'postcode discrimination'. This will be particularly important for employment and skills interventions targeting small groups with specific needs who are dispersed across the wider CLLD geography, and also for entrepreneurship initiatives where there are distinct barriers faced by women, young people, BME and other target groups.

Capacity building, skills and community leadership initiatives will also be promoted in those areas where there are gaps in provision and where projects have failed to secure funding and resources in the past.

Adjacent areas not in the 20% most deprived have been incorporated into the CLLD geography because of their links to key opportunities and to form a more coherent economic area. The target for CLLD project investments will remain focused on those areas and people in the most 10-20% deprived.

In summary, the defined area has been chosen because:

- It targets areas with the most severe deprivation;
- It links areas of need with areas of business growth and employment opportunities;
- It has sufficient scale and critical mass to draw in resources to match fund ESIF activity and have a meaningful impact on the area's priorities;
- It will enable specific client groups in the most deprived areas to be supported, where there is evidence to show that they are 'missing out' or unable to engage in existing provision;
- It will promote cross-sector, multi-agency and inter-community working in order to identify innovative solutions to shared challenges;
- It will add value and aims to fill gaps in provision that cannot or are not being addressed through programmes and projects such as the Work and Health Programme, Talent Match, Building Better Opportunities (Multiple Barriers to Employment and Health workstreams), Skills Funding Agency and projects seeking alternative ESF or ERDF support, including enterprise support provision;
- It avoids overlap with other area-based initiatives such as Big Local (Easington Lane and Moorsley), Leader (East Durham which includes East Rainton), Community Economic Development (Shiney Row) and Coastal Communities Fund (Roker and Seaburn).

2.0 Area profile

This section summarises the evidence that supports the socio-economic case for support through CLLD. This data will be used as a baseline to monitor progress and change in the CLLD area.

Within the NELEP geography - excluding Durham which has Transition Area status - Sunderland is the most deprived Local authority area in terms of education and skills, and health deprivation, and ranks second behind South Tyneside on IMD, income deprivation and employment deprivation (IMD, 2015). The target CLLD area possesses the most prevalent and concentrated forms of this deprivation.

The area profile provides an overview of the key issues affecting the target area including: population profile; deprivation; social inclusion and poverty; employment, skills and education; health and well-being; enterprise and business; community capacity and infrastructure.

Definition of the area

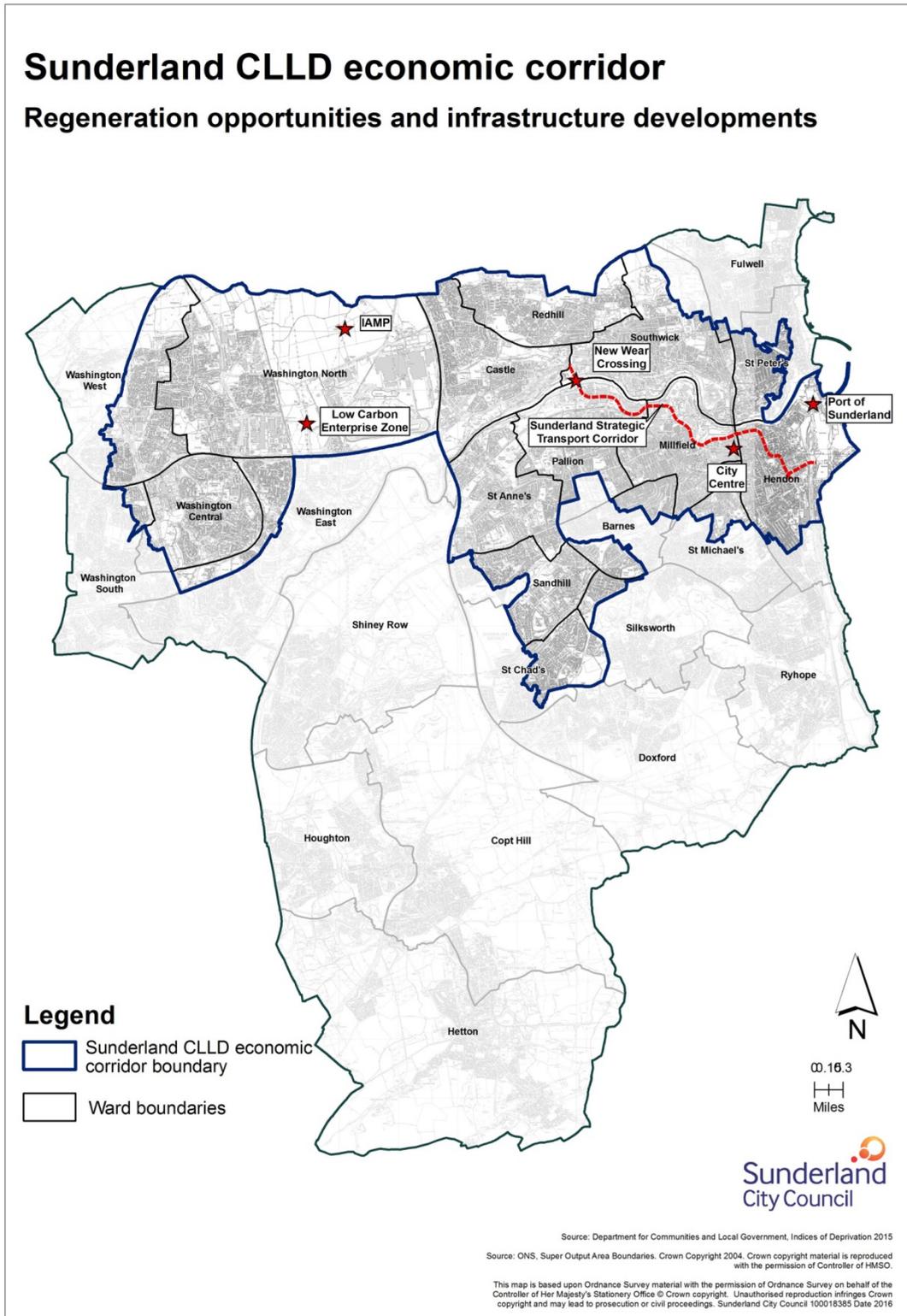
The CLLD area in Sunderland encompasses the most deprived communities of Sunderland's urban core and Washington. The area covers a total of 18.66 square miles (4,833 hectares), extending from Hendon and the City Centre in the east to Washington in the west, along the Sunderland Strategic Transport Corridor.

The map below shows the CLLD area or 'economic corridor' bordered in blue, highlighting a number of key economic development investments taking place.

Whilst the neighbourhoods and communities within the area differ in their socio-economic and geographic characteristics, including high density inner urban areas in Hendon, Millfield and Pallion, significant areas of former local authority housing on the periphery of the urban core in Redhill, Southwick and Sandhill and a former New Town in Washington, this east-west 'economic corridor' links the most deprived communities in Sunderland with key economic regeneration opportunities and infrastructure developments in the city. These include the Port of Sunderland, key City Centre sites, the International Advanced Manufacturing Park (IAMP), Sunderland Low Carbon Enterprise Zone, the New Wear Crossing and Sunderland Strategic Transport Corridor.

Areas of persistent deprivation in areas such as Pallion, Redhill, Southwick, Millfield, Sandhill and Hendon and emerging deprivation in Washington North exist within this economic corridor, leading to geographical closeness but 'metaphorical' distance or remoteness for residents to employment and other opportunities.

Map 3: CLLD 'target area', regeneration opportunities and infrastructure developments



The key facts about the CLLD area are summarised below.

Total Population	<ul style="list-style-type: none"> • 146,108 residents • 88,954 total working age population
Deprivation	<ul style="list-style-type: none"> • 85,588 (58.6%) in LSOAs ranked in the 20% most deprived • 44,930 (30.1%) in LSOAs ranked in the 10% most deprived
Income Deprivation	<ul style="list-style-type: none"> • 78,168 (53.5%) in LSOAs ranked in the 20% most deprived • Comparatively low levels of earnings and Gross Value Added
Employment / unemployment	<ul style="list-style-type: none"> • 99,821 (68.3%) in LSOAs ranked in the 20% most deprived • Predominant occupation type is Elementary Occupations (16.3%) • 3,860 total claimant count (JSA & Universal Credit claimants) • Lower employment rate and higher rate of economic inactivity compared to NELEP and national averages
Education, Skills and Training	<ul style="list-style-type: none"> • 108,558 (74.3%) in LSOAs ranked in the 20% most deprived • Predominant qualification type is 'No Qualifications' (32.0%)
Health	<ul style="list-style-type: none"> • 78,168 (53.5%) in LSOAs ranked in the 20% most deprived • 18,589 (21%) people with long-term health issue or disability that limits day-to-day activity "a little" or "a lot"
Business and enterprise	<ul style="list-style-type: none"> • 5.1 start-ups for every 10,000 working age people in Sunderland compared to the North East average of 6.9 • Self-employment rate of 8.5% (Sunderland wide) compared to an England and Wales average of 14.1%
Local infrastructure	<ul style="list-style-type: none"> • 'Cold spot' for funding for the VCSE sector • Part of a 'pilot area' for support through the Communities Can programme
Sources: ONS, Indices of Multiple Deprivation 2010/2015, NOMIS, Annual Population Survey data	

Population profile

The CLLD area comprises a total population of 146,108, of which 85,588 (58.6%) reside in LSOAs within the top 20% most deprived in England. The area comprises all or parts of Parliamentary Constituencies, Regeneration Areas and Electoral Wards as follows.

Parliamentary Constituency	Regeneration Areas	Electoral Wards	Population	IMD Top 20% Population
Sunderland Central	Sunderland North	Southwick	11,450	9,377
		St. Peter's	5,647	0
	Sunderland East	Hendon	8,663	8,663
		Millfield	11,804	4,204
		St. Michael's	3,156	2,306
	Sunderland West	Barnes	7,168	1,434
Pallion		10,362	8,011	
Houghton and Sunderland South	Sunderland West	Sandhill	7,596	6,593
		Silksworth	2,148	1,436
		St. Chad's	6,948	4,137
Washington and Sunderland West	Sunderland North	Castle	12,512	5,787
		Redhill	11,372	9,788
	Sunderland West	St. Anne's	12,850	9,334

	Washington	Washington Central	8,350	1,319
		Washington North	12,096	7,189
		Washington South	1,725	1,725
		Washington East	4,786	2,800
		Washington West	7,475	1,485
Total			146,108	85,588

Deprivation, social inclusion and poverty

Sunderland is ranked the 37th most deprived Local Authority in England with an average IMD score of 29.725. 19% of LSOAs in Sunderland (36 of 185) are in the top 10% most deprived areas of England. 38% of LSOAs in Sunderland (71 of 185) are in the top 20% most deprived areas of England.

Sunderland has some of the most significant deprivation within the NELEP area when comparing the average rank of score across the 2015 Index for Multiple Deprivation and the five main indices. This is also the case for the 2010 IMD data. The table below shows the national and NELEP (in brackets) rankings with 1 equalling the most deprived.

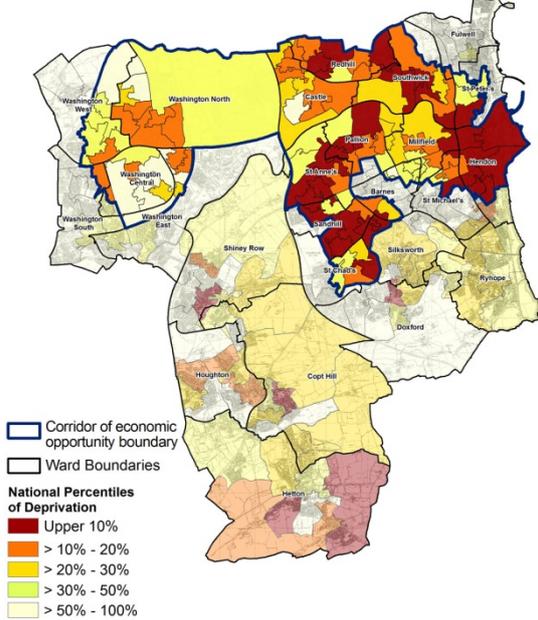
Local Authority	IMD	Income	Employment	Education	Health	Crime
Durham	59 (5)	52 (5)	26 (3)	63 (5)	21 (5)	100 (2)
Gateshead	58 (4)	47 (4)	31 (4)	46 (3)	19 (3)	115 (5)
Newcastle	42 (3)	35 (3)	41 (5)	29 (2)	20 (4)	93 (1)
Northumberland	90 (7)	88 (7)	60 (7)	68 (6)	70 (7)	151 (7)
N. Tyneside	87 (6)	68 (6)	45 (6)	78 (7)	41 (6)	149 (6)
S. Tyneside	26 (1)	15 (1)	7 (1)	49 (4)	12 (2)	111 (4)
Sunderland	31 (2)	24 (2)	10 (2)	27 (1)	8 (1)	107 (3)

The predominance of deprivation across LSOAs within the target CLLD area is reflected over time across IMD with some areas having moved up the rankings between the 2010 and 2015 Indices (i.e. a worsening of their position). Map 4 below shows a comparison of the target area LSOAs as a percentile from least deprived to most deprived between the 2010 and 2015 IMD.

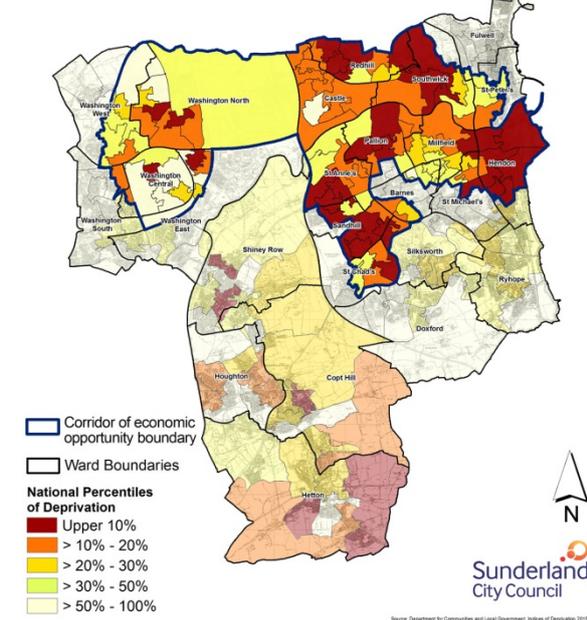
Map 4: IMD 2010 and 2015 with CLLD ‘target area’ highlighted

Index of Multiple Deprivation: national percentile category change from 2010 to 2015

Index of Multiple Deprivation 2010



Index of Multiple Deprivation 2015



The target CLLD area comprises 101 LSOAs, 59.4% of which are in the top 20% most deprived in England and 95% of which are adjacent to a LSOA within the top 20% most deprived in England.

Of the total population, 58.6% live in Lower Super Output Areas ranked in the 20% most deprived. Furthermore, 9 out of 10 LSOAs in Sunderland which are within the top 1,000 deprived (i.e. the absolute most deprived) in England are in the target economic corridor.

As well as the IMD, the LDS has drawn on other evidence to ensure there is a strong understanding of the factors creating social exclusion and poverty in the most deprived areas of the CLLD geography. A Joint Strategic Needs Assessment of child and family poverty was undertaken in January 2015 which identified the main factors associated with poverty as:

- Parental qualifications and skills;
- Worklessness, income from benefits, underemployment and low paid work;
- Poor health;
- Lone parent families;
- Minority ethnic backgrounds;
- Caring responsibilities;
- Affordable, good quality housing;
- Domestic violence;
- Best start in life;
- Young people’s education and skills;
- Cost of living – childcare, food poverty and quality, fuel poverty, family debt.

These factors are compounded by other significant issues that mark out the target area as requiring specific locally tailored support, including:

- Relatively high unemployment particularly among certain target groups such as women, young people disabled people, ex-offenders, BME groups, single parents and older workers;
- Low adult skills and qualifications;
- High numbers of low paid jobs;
- Poor health and wellbeing, particularly poor mental health;
- Extremely high numbers of lone parents claiming out of work benefits;
- A significant attainment gap, particularly at Key Stage 4, between pupils living in poverty and those who do not;
- Low levels of enterprise activity.

All these factors contribute to the area having high IMD rankings as well as low levels of employment and business growth.

Skills, employment and education

A fundamental part of the CLLD area's strategy in addressing social inclusion and poverty is the focus on addressing poor levels of educational attainment and deficits in skills and employment at all levels. Lack of availability of the right mix of skills, qualifications and experience to meet existing demand and to attract a wider range of opportunity is a drag on new business investment in the city. The scale of economic inactivity in the local economy also acts as a brake on growth.

The table below shows the variation in key labour market statistics across Sunderland and between CLLD wards. It is important to note that whilst the CLLD area covers 17 wards, in some of these wards (typically the less deprived wards) only a small proportion of the population is included within the CLLD boundary; whereas in other wards (the more deprived ones) the whole population is included within the boundary. However, the data below is based on ward level information and, therefore, does not fully reflect the precise make-up of the CLLD communities.

CLLD Area by Ward	Unemployment (%)	Long term Sick or Disability (%)	Predominant Occupation Type	Predominant Qualification Type
Barnes	9.2	5.6	Professional	Level 4 and above
Castle	11.5	9.1	Elementary	No qualification
Hendon	21.0	10.8	Elementary	No qualification
Millfield	15.2	5.9	Professional and Elementary	Level 4 and above
Pallion	15.1	8.8	Elementary	No qualification
Redhill	14.9	10.6	Elementary	No qualification
Sandhill	13.1	10.5	Elementary	No qualification
Silksworth	9.6	6.9	Sales and Customer Services	No qualification
Southwick	13.1	11.6	Elementary	No qualification
St Anne's	12.6	8.7	Elementary	No qualification

St Chad's	10.1	7.3	Professional	Level 4 and above
St Michael's	9.7	6.4	Professional	Level 4 and above
St.Peter's	8.6	6.4	Professional	Level 4 and above
Washington Central	7.8	6.0	Admin & Secretarial	Level 2
Washington East	7.9	5.1	Professional	Level 4 and above
Washington North	12.7	7.9	Elementary	No qualification
Washington West	7.4	5.5	Admin & Secretarial	Level 2 & Level 4 and above
Sunderland	10.4	7.5	Elementary	No qualification
England and Wales	7.6	4.6	Professional	Level 4 and above
Source: Nomis				

Business and enterprise

Sunderland has a strong industrial heritage, and whilst its traditional industries of coal mining and ship building have been replaced by advanced manufacturing and business services, the area still has a relatively narrow industrial base. As recognised in the Council's Economic Masterplan this is, in part, because Sunderland has been more successful in attracting inward investors than supporting indigenous businesses to grow, as evident from the relatively low numbers of business start-ups in the area.

As also noted in the Masterplan, Sunderland's employment structure is dominated by a small number of large employers, which is thought to have been responsible for the 'employee culture' where self-employment is rarely considered. The area has lower self-employment rates than the national average. Business birth rates and business stock are also low in comparison to national averages (ONS Business Demography Data, 2014). BankSearch data, which provides data on newly opened business bank accounts and so includes smaller businesses which may not be captured by business demography statistics, also highlights the 'enterprise gap' in Sunderland. For example, in October 2015, there were 5.1 start-ups for every 10,000 working age people in Sunderland compared to 6.9 for the whole of the North East.

Self-employment and enterprise formation rates are even lower in the most deprived wards of Sunderland. There is, however, a complex pattern of enterprise activity among different population groups. For example, self-employment rates among women have been increasing but remain well below the average rates for males at both a local and national level. Self-employment rates for young people are also low compared to the overall population and are particularly low within the CLLD area. By contrast, self-employment rates among people from BME backgrounds are higher than the CLLD average.

Health and well-being

Like much of the North East, chronic ill-health is a major factor impacting on the local labour market. Not surprisingly, the CLLD area exhibits comparatively high rates of long-term unemployment, inactivity and poor long term health trends. While a number of programmes

and projects are planned to tackle these issues, such as the North East Mental Health Trailblazer and Building Better Opportunities programmes, the LDS recognises that more community-driven interventions are required for individuals furthest from the labour market.

The CLLD target area has some of the highest levels of health deprivation in the country. According to the IMD 2015, 41% of residents in Sunderland live within the worst 10% of LSOAs for Health and Disability. Within the target communities, there are a number of pressing health challenges:

- High levels of obesity - the percentage of adults classed as overweight or obese is 70.8%, higher than the North East (68.6%) or England average (64.6%) (Public Health Outcomes Framework).
- Higher than average levels of alcohol consumption - across Sunderland, per 100,000 people, there are 967 alcohol related hospital stays per annum.
- Less than one quarter of adults take part in sport and active recreation for 30 minutes 3 times a week.
- High percentages of households have someone with a long-term health problem or disability.

Local infrastructure provision and access to services

Through the research and engagement work it is apparent that there is a shortage of capacity-building and training support across the VCSE sector as a whole. Over the last decade in Sunderland, a number of VCSE groups have either downsized or ceased to exist. The consequence of this is that those more deprived communities where VCSE sector presence has reduced have less capacity and are therefore less able to attract external funding for new projects and services. Meanwhile, those areas with a stronger infrastructure and more dedicated support are more likely to succeed in attracting new investment.

3.0 Development needs and potential

Introduction

This section presents the findings of the local strengths, weaknesses, opportunities and threats (SWOT) facing the CLLD area, and how this analysis has helped to shape the strategy. The SWOT has been developed using a range of methods and sources as follows:

- SWOT workshop with local partners;
- Presentation and challenge sessions with Area VCS networks;
- Presentation and challenge sessions with local elected members;
- Commissioned research and consultation with local stakeholders;
- Audit and review of existing opportunities, programmes and assets;
- Gap analysis of employment, skills and enterprise provision;
- Analysis of the development needs of the CLLD area;
- Horizon scan of the opportunities and threats;
- Review of local action plans, strategies and policies.

SWOT analysis

The key issues which emerged from the SWOT analysis are set out below. The findings of the SWOT were then tested and refined with the four Area VCS Networks and local elected members to ensure analysis accurately reflected local priorities and viewpoints. The Area VCS Networks are made up of a wide range of local residents, grassroots community organisations and service providers who have a comprehensive knowledge of the CLLD area.

Strengths
<p>People/communities:</p> <ul style="list-style-type: none"> • College and university graduates. • Reputation of our skilled and adaptable workforce. • Good partnership working with key stakeholders working together to achieve shared goals. • Local people are creative and resilient. • Brilliant role models within CLLD communities. • Clear vision and leadership from communities. • Larger VCS organisations able to deliver services in community. • Good examples of locally led projects targeting disadvantaged communities <p>Place:</p> <ul style="list-style-type: none"> • Numerous strategic employment sites with major plans underway such as Vaux/City Centre, IAMP, Port of Sunderland, and Sunderland Strategic Transport Corridor. • Cultural and creative investments planned such as Tall Ships, UK City of Culture bid and Cultural Quarter. • Green city with attractive spaces and river corridor.
Weaknesses
<p>People/communities:</p> <ul style="list-style-type: none"> • Deep-rooted poverty and deprivation across all of the main domains. • High relative unemployment, inactivity and health concentrations compared to NELEP and UK average.

- View that economic opportunities do not benefit local residents.
- High number of people with low or no qualifications.
- No “in it together” feeling in the city.
- Shortage of higher level skills and expertise.
- Reluctance of local people to travel further to work.
- Lack of common goals/understanding.
- Weakness in depth/richness of locality based organisations.
- Weakness in youth service provision.
- Lack of community cohesion is not challenged.
- Not all communities engage.
- Mentoring and progression support is lacking.
- On-going need for community groups to access funding support, training and development.
- Local community groups are in the best position to establish need – but without core funding they cannot go on.

Challenges:

- Insufficient financing to match breadth of need.
- CLLD areas possess poor connections socially and spatially (including public transport links).
- Lack of a deep business base to generate local business rates to pay for basic services.
- More SMEs need to take on apprentices/workers from local areas.
- Organisations are slow to respond to opportunities.
- Major challenge in engaging those furthest removed from the labour market.
- Not enough support for the younger generation to kick start and continue their careers in Sunderland.
- Employability, skills and informal learning provision appears fragmented and uncoordinated at a local level.

Opportunities

Engagement/communication:

- Understand needs of communities through effective engagement building on existing mechanisms, but also introducing new methods to work with those who don't engage.
- Develop a network of listening points where communities can come and talk about anything.
- A multi-racial/ethnic festival that brings people together.
- Develop an eco-centre where local people and businesses can come in to see what is possible and happens elsewhere.
- Work across boundaries including dialogue with other CLLD areas in NELEP.
- Celebrate success and how it benefits all.
- Develop creative communities through improved links with business and build on the ‘Social Enterprise City’ brand.
- Listen to communities and act on that intelligence (don't assume).
- Opportunities to approach resident needs in a different way and make them feel part of the process.
- Celebrate success and encourage citywide role models, and raise awareness of local business base.
- Promoting enterprise/self-employment opportunities.
- Opportunity to extend and promote wider partner/community engagement.

Build on:

- The major employment opportunities in the pipeline.
- Build on and retain creativity of student population and increase opportunities for artists to

grow their businesses.

- Successful VCS organisations able to deliver services in communities.
- The capacity of community hubs – to help reduce apathy.
- Sunderland’s Strengthening Families model.

Business Start-ups:

- Give young people the chance to start up on their own.
- Target funding in piloting new projects.
- Kick-start animation on self-employment exploration.
- More business start-ups via tested models of intervention.
- Focus on zero hours and low paid disadvantaged to explore ideas for self-employment.
- Targeted support for community and social enterprises to start and grow, and develop new delivery models.

Innovation:

- Community leadership board to support and grow ideas.
- Support local trading initiatives.
- Exploring “smaller” scale opportunities.
- Creating strong micro-communities.
- Identification of new areas of idea exploration.
- Opportunity to create change/innovation through partnership working.
- New opportunity for models of innovation.

Investment:

- Success in attracting external funds and industry needs to filter down to grassroots communities and organisations.
- Long term plan needed to improve health statistics.
- To invest more in people and skills, with an array of pathways and opportunities for people out of and in work.

Threats

Macro level:

- Vulnerability of city/local economy to economic cycles, changes and political uncertainty.
- Reliance on Central Government for major financial decisions,
- Implications of Brexit on LDS, local economy and opportunities for the VCSE sector in particular.
- Conflicting policy between government departments.
- On-going austerity measures tend to hit the poorest, most disconnected communities.
- Sunderland more vulnerable to austerity measures and lack of public funding.
- Impact of major societal change plans.
- Disparities of wealth increasing, across communities, regions and nationally.
- Danger of employment base being further eroded and ability to replace new jobs at the same pace.
- Ability of Sunderland’s economy and people to adapt to change and become more resilient.

Micro level:

- Inability to address the jobs-skills-occupation mismatch.
- Don’t pitch opportunities for individuals too high.
- Failure to develop strong, effective and cohesive partnerships?
- Initiative fatigue.
- Impact on family income from benefits if member of family gets a job – may put some off taking

up opportunities.

- How do you break the cycle of 4th generation unemployment?
- Address affordability/impact on household income of self-employment options.

Connecting local needs to existing and future opportunities

The CLLD area has been identified both because of its high IMD ranking and also because of its proximity to key employment and regeneration sites within the city. The LDS will explore how specific interventions can be used to address local needs by connecting local people and communities with the significant local economic development opportunities.

A number of key developments are planned over the next 5-10 years creating a wide range of economic, social, and cultural opportunities for local people. The LDS will aim to make a positive difference to the way that local people, voluntary and community groups and businesses based in the most deprived communities participate in and benefit from these opportunities.

Project / opportunity	Potential impact / strategic benefit to CLLD area	Timeframe
Vaux	<ul style="list-style-type: none"> • A new central business district in the heart of Sunderland City Centre, will provide a mixed use site with commercial office building, residential, hotel, leisure and retail elements. • Potential jobs: 400 jobs (phase 1), circa 2,500 jobs in total 	First phase complete by Dec 2018
International Advanced Manufacturing Park	<ul style="list-style-type: none"> • IAMP will provide up to 150 hectares of development land, and will be a hub for automotive, advanced manufacturing and technology businesses, creating in excess of 5,000 new jobs. • Potential jobs: 5,200+ jobs 	By 2026/27
Music, Arts and Cultural Quarter	<ul style="list-style-type: none"> • The MACQ project will restore an important section of the city, re-establishing the area's previous importance as the Edwardian heart and soul of the city, providing an enhanced cultural experience. • Developments across the city include the renovation of the old Fire Station, construction of a new auditorium and regeneration of the new Music, Arts and Culture Quarter. 	By 2018/19
Sunderland Strategic Transport Corridor and the New Wear Crossing	<ul style="list-style-type: none"> • The Sunderland Strategic Transport Corridor (SSTC) will link the International Advanced Manufacturing Park on the A19 with the City Centre and Port of Sunderland, both recently designated as Enterprise Zones. • In addition the transport corridor will open up significant new development sites at Pallion, Deptford, Farringdon Row. 	By 2019/20
Enterprise Zone - Waves 1 and 2	<ul style="list-style-type: none"> • Sunderland's Enterprise Zones (Waves 1 and 2) consist of three locations - the A19 Low Carbon Enterprise Zone, IAMP and the Port of Sunderland. • Potential jobs: 1,625 jobs 	By 2021/22
Centre For Enterprise And Innovation	<ul style="list-style-type: none"> • Construction work is in progress for the new £10m Centre for Enterprise and Innovation. • Scheduled to open in early 2017 the centre will provide accommodation and support the creation of 120 innovative 	Open in 2017

	<p>growth businesses.</p> <ul style="list-style-type: none"> • The centre will be home to the Sunderland FabLab, the first in the North East of England aimed at supporting enterprise and innovation activity. • Potential jobs: 400 	
Sunderland College City Campus	<ul style="list-style-type: none"> • The new 12,500 sqm Sunderland College City Campus opens in September 2016. • Housing a training restaurant, bakery, travel agency, spa and salons, Computer Aided Design (CAD) and Computer Numeric Control (CNC) engineering workshops, motor vehicle and construction trade workshops as well as the very latest teaching and learning facilities, it promises to be a great place to study in the heart of the City Centre. 	Open in 2016
Tall Ships Race 2018	<ul style="list-style-type: none"> • Opportunities to engage communities in Sail Training Ambassadors, Sail Trainees (age 15-25), volunteering, skills development opportunities and support pathways to employment. • The event is predicted to attract two million visitors to the city and an economic benefit of £50m. 	By 2018 (July)
Sunderland - UK City of Culture Bid 2021	<ul style="list-style-type: none"> • If successful, Sunderland could establish itself as a national centre for arts, heritage and culture, putting the city firmly into the cultural spotlight, attracting millions of pounds into the local economy through investment in arts and an increase in visitors and jobs. • It would kick-start a 4-year period of growth, innovation and creativity, culminating in a year of exciting cultural and artistic events. 	2017-2021
Beacon of Light (Stadium Park)	<ul style="list-style-type: none"> • Planned investment of £18m in a new, multi-purpose learning, skills, sports and health facility, where young people and unemployed people will take part in courses to improve their skills and employability. • Potential jobs: 85 	Open in 2017/18
Sunderland Software City	<ul style="list-style-type: none"> • Further phase of Software City to support existing and new business development in the software sector, including consultancy, marketing and financial advice. • £2m project underway to support 204 existing SMEs, 60 new businesses and generate 106 new jobs. 	By Sept 2018
Housing investments	<ul style="list-style-type: none"> • Over £600m is being invested in housing, with major housing growth sites planned in Pennywell and South Sunderland, leading to new business, employment and apprenticeship opportunities for the construction sector and its supply-chain. 	By 2022/23
Wider regeneration plans	<ul style="list-style-type: none"> • Sunderland City Council, Carillion & Igloo have formed the Siglion partnership to oversee & manage the £100million regeneration of five key City Centre sites, including Vaux (above), Seaburn, Chapel Garth, Numbers Garth & Farringdon Row. • On-going regeneration of the Sunderland Seafront. • Plans to regenerate Sunderland Minster, the Empire Theatre & Town Park. • Continued investment in the creative industries sector and in major cultural events, including Stadium of Light concert 	On-going

	programme and Sunderland International Airshow.	
--	---	--

The LDS will aim to ensure that the wide range of opportunities, and potential benefits, do not bypass the CLLD target groups, communities and potential entrepreneurs, and that they become important stakeholders in future business and employment growth.

Sunderland '3, 6, 9 Vision': Investment Priorities	Opportunities for the CLLD area
Physical Infrastructure	<ul style="list-style-type: none"> • Direct jobs generated during construction phases. • Jobs created by businesses occupying new premises and strategic sites.
Vibrancy	
Sector Growth & Skills Development	<ul style="list-style-type: none"> • Jobs created indirectly by the local supply chain. • Increased local expenditure as a result of these additional wage benefits in the supply chain. • Major events on the horizon such as the Tall Ships Race and UK City of Culture as well as other events and attractions. • Improvements to educational and research infrastructure. • Support to existing and new businesses, including social enterprises. • Sector specific growth opportunities focusing on health and social care, software, automotive, advanced manufacturing, construction, creative industries, business support and professional services. • Skills development and employability programmes for residents, particularly those with multiple barriers and health issues.

Analysis of development needs and gaps in provision

Sunderland City Council and the CLLD steering group appointed New Skills Consulting and ERS Research & Consultancy in May 2016 to undertake independent research studies into enterprise and entrepreneurship, and employment and skills, within Sunderland's 'economic corridor' to inform the LDS. The research was commissioned to help understand what provision is currently available to support people into employment, skills or enterprise activity in the economic corridor, what barriers exist, and what support could be delivered to boost activity within the area.

The enterprise research included a detailed mapping exercise to establish what services are currently available for residents in Sunderland, a review of existing studies to understand the barriers to enterprise faced by disadvantaged groups, and research into what works in supporting people into enterprise. The enterprise research involved consultations with 25 local residents, seven local business owners, and 26 stakeholder organisations, consisting of CLLD Steering Group members, VCS organisations, and enterprise support providers.

The employment and skills research involved mapping provision, reviewing good practice, interviewing key stakeholders and potential beneficiaries, and identifying key principles and

priorities for CLLD. Thirty-three local organisations were consulted directly along with 25 local clients.

The key conclusions from the research are summarised in the table below.

Employment and skills	Enterprise and entrepreneurship
<ul style="list-style-type: none"> • There is a continued need for a client-centred approach where solutions are designed around individual need. • Mentoring support was regarded as a good way of supporting people, particularly those furthest from the job market or about to make a 'big leap' into employment. • Resources will continue to be targeted at NEETs, at least in the early stages of CLLD. • There is a need to tackle the issue of limited employability skills much earlier i.e. within a school setting. • There is scope to provide targeted support and intensive support in a single service i.e. running from initial pre-employment support, to training and then to employment within a supported job role. • There is a clear requirement to boost the provision of mental health support for those in employment and those seeking employment. • The transition to the Work and Health Programme (WHP) in October 2017 will require the programme to provide employment support for people whose primary barrier to entering work is a health condition, plus a cohort of long-term unemployed, who may or may not have a health condition as a barrier. In addition, more work placements and volunteering opportunities are required. • The digitisation of DWP processes will disproportionately impact upon older people. Whilst IT training courses will (probably) be available, not everyone who needs support will attend. Consideration should be given as to how this is best tackled, perhaps through the 	<ul style="list-style-type: none"> • Enterprise support services in Sunderland have been scaled back in recent years. • The main service providers in Sunderland are the NEBIC and SES. • There are no enterprise support services targeted specifically at, or exclusively for, the whole CLLD area. • There is limited support aimed at promoting enterprise and raising awareness. • There appears to be less support for people post start-up. • Although there does not appear to be specific support targeted at women or BME communities, this is not necessarily a significant issue. • There is some support targeted at people with disabilities but this tends to be small scale. • There is less intensive and flexible support for people in employment. • There is a core group of residents who are not interested in enterprise and who are unlikely to change their views. • There is a group of residents who have an interest in enterprise but need support to make this a reality. • There is a group of residents who are more neutral about enterprise but could perhaps be encouraged to consider self-employment. • Income insecurity is a key issue. • There is evidence of a disconnect between local disadvantaged communities and developments elsewhere in the city. • Suggestions that there is a culture of low aspirations and ambitions. • Embedding enterprise in schools.

<p>upskilling of community based staff and volunteers working in local trusted organisations across the CLLD area.</p> <ul style="list-style-type: none"> • Many of the priorities identified above could be delivered to people regardless of age, gender, ethnicity and where they live in the CLLD area. The commissioning of services however will need to consider how specific issues across such groups will be taken into account in service delivery. 	
---	--

Target beneficiary groups

In the current resource environment, the communities that will benefit most from CLLD will be those that are missing out on existing programme support or who would benefit from other types of support. The strategy will aim to improve the alignment and integration of existing local services for disadvantaged client groups. In turn, this will improve job outcomes, reduce local duplication, and provide a more personalised service. The strategy, although modest in resource terms, will aim to promote more locally specific solutions which can integrate employment, enterprise, health and skills interventions. This will be complementary to other employment-focused national and regional provision.

The research work undertaken by both ERS Research & Consultancy and New Skills Consulting involved an assessment of potential beneficiary group needs and barriers, and included engagement with clients and service providers. This work has provided important, up-to-date information on potential areas where there is market failure, shortage of supply or where additional localised support is needed. Where provision is already available but where there are failures or blockages in delivery (e.g. engagement, referral and on-going personal support arrangements are not working effectively) preventing target groups from benefiting, the strategy will look at how partnership working, training and capacity building can be improved (e.g. sign-posting and referral, mentoring support, information-sharing and improved cooperation).

The research and engagement work has identified a range of barriers faced by potential target groups of the LDS.

Potential beneficiary groups	Barriers
Economically inactive individuals and those not claiming benefits	<ul style="list-style-type: none"> • Anti-social behaviour and offending • Caring responsibilities (child and dependent care) • Communication and language barriers • Cultural barriers, particularly the BME community and women • Debt, income insecurity and financial exclusion • Digital exclusion and technological barriers • Drug and alcohol dependency • Disconnection from local employment opportunities
Individuals with LLDD and on the autism spectrum	
BME individuals, particularly women and the economically inactive	
Young people and adults undertaking key transitions in life (e.g. NEETs, care leavers, young carers, ex-offenders)	
Vulnerable individuals with physical and /	

or mental health issues	<ul style="list-style-type: none"> • Educational and skills barriers – particularly basic, life and key employability skills • Employer requirements and expectations • Family, parenting and relationship issues • Health and well-being, both physical and mental health • Homelessness and housing barriers • Lack of confidence, motivation and self-esteem • Lack of information (or access to the right information) and engagement • Lack of social, peer or professional networks • Learning difficulties and disabilities • Limited or no work experience • Transport (access and cost) • Welfare and benefit changes
Individuals with low confidence, self-esteem and little or no work experience	
Families with complex needs	
Those recently in work (less than 6 months), and on low wages or in temporary employment	
Other vulnerable groups and residents, particularly those at most disadvantaged in the labour market or not engaged in community networks	
Potential entrepreneurs from underrepresented groups – e.g. women, young people, people with disabilities	<ul style="list-style-type: none"> • Communication and awareness-raising • Lack of capacity to develop new projects or services • Funding and social investment expertise • Project development / management skills • Business planning, marketing and fundraising • Access to new skills and professional development for staff and volunteers • Lack of mentoring support
Local grassroots community groups (including volunteers) and voluntary sector organisations	
Local businesses and social enterprises	<ul style="list-style-type: none"> • Lack of an enterprising culture • Lack of enterprise awareness and access to business support information • Access to markets – relatively low purchasing power / shortage of local market opportunities • Lack of confidence • Income insecurity and uncertainty • Lack of business skills, knowhow and ideas • Perceived complexity of the tax and benefit system • Costs and risks of taking on new staff • Access to finance for start-up support • Finding suitable local premises

Community infrastructure and capacity-building

A Taking the Temperature survey undertaken by Voluntary & Community Action Sunderland in December 2015 identified a number of key challenges facing the sector:

- Public sector contracts replacing grants;
- Increased competition for charitable trust grants;
- Increased competition from national providers;
- Reductions in statutory body support;
- Reductions in charitable giving.

In 2016, Voluntary Organisations' Network North East (VONNE) coordinated additional research into funding 'cold spots' in the North East. This mapping work is a regional level analysis undertaken by the North East Funders Network, which has focused on identifying

which local authority areas in the North East are ‘cold spots’ for funding for the VCSE sector, that is, where funders are spending less money than they would expect to.

As a result of this analysis, Sunderland was identified as the ‘coldest’ Local Authority area, in that the figures showed the greatest variance (-5.2%) between its ‘indicative share’ (11.8% of the NE regional share) of funding and the amount actually awarded (6.6% of the regional share). This information is particularly relevant to the LDS given its focus on targeting investment in the 20% most deprived areas.

Consistency and complementarity with other projects

The targeted investments that will flow from the strategy will need to pass a number of key criteria including added value, a strong demonstration of need and complementarity with local – for example, Big Lottery Fund, Skills Funding Agency, other European funded support, the Work Programme / Work and Health Programme and enterprise support projects – as well as national provision. The research work, carried out by ERS Research & Consultancy and New Skills Consulting provides a robust picture of existing provision in the target area and will be used to ensure there is a coordinated approach to new project activity, particularly any new provision focused on skills development, informal learning provision, capacity building, social innovation or enterprise support.

Existing local action plans and projects have also been reviewed and mapped to ensure alignment with the strategy’s objectives and potential activities.

The research and mapping work has helped us to understand who the target groups are and why they are not benefiting from existing provision. It has also helped to show that despite a wide range of existing and planned provision, the target numbers for this provision are still relatively low compared to the overall number of eligible clients in the CLLD area, city and North East area. The LDS will be able to promote local interventions as well as putting in place more flexible longer-term solutions for particular groups that require more intensive or sustained support.

From this research, it is apparent that a raft of employment and skills provision is being delivered in Sunderland, but that client engagement, signposting to the right provision and joint working arrangements are not necessarily working as well as they could be. There is also evidence to suggest that specific vulnerable groups are missing out on current provision (e.g. inactive client groups, women, BME groups, carers, NEET young people, Care leavers, Young Carers or those at risk, Adults with LLDD and/or on the Autism spectrum).

4.0 Strategic objectives, actions and performance indicators

Strategic objectives

The consultation and research work has enabled the LAG to identify three core objectives for the LDS that will lead to a set of ESF and ERDF priority actions.

In addition, the strategy will be supported by 3 key cross-cutting themes:

- Demonstrating sustainability, with projects having at least a neutral, and preferably a positive environmental impact. They must also demonstrate that they can deliver a sustainable business model which will reduce the need for continued public support beyond the lifetime of the programme, as well as a lasting legacy post-completion.
- Actively promote and implement equal opportunities, demonstrating a positive equalities impact. All projects supported must take account of their impact on people with protected characteristics.
- Embed community empowerment and capacity-building in their design and delivery, showing how they will benefit and engage with the target community.

The three strategic objectives are: (1) Enhancing employment and skills provision; (2) Boosting enterprise and entrepreneurship; (3) Improving community capacity, partnership working and social innovation. These three objectives have enabled the Local Action Group to develop and agree a proposed programme of activity.

Strategic objective 1: Enhancing employment and skills provision (ESF)	
Rationale	<p>This objective is centred on transforming the CLLD area into a place where everyone has an appetite for learning, is motivated by the available opportunities and feels empowered to succeed in a rapidly changing society and economy.</p> <p>We want everyone to have the skills, attributes, qualifications and experiences that enable them to realise their full potential and to contribute to not just the region's prosperity but to their own. As the economy develops, people will need to acquire both new skills and approaches not just to the world of work, but everyday life, with a more flexible attitude to and understanding of employer needs. Self-management of increasingly complex lives and careers will become more commonplace for many.</p> <p>There is a strong collective determination to raise achievement throughout the education system and to close the gap in attainment between those who are disadvantaged and the rest of the population.</p> <p>However, it is not just about achieving qualifications, in the years ahead people will have to manage their education and careers more actively and develop skills that employers view as essential. For most people a single course of study will not provide entry into a "job for life" and, despite some good performance from educational institutions, there needs to be a greater emphasis on employability and enterprise skills. The so-called "soft skills", such as communication, team-working and problem solving, are increasingly valued by employers. These are also the skills that are most needed in every aspect of our everyday lives.</p> <p>For too many people, education is simply seen as something which stops at a</p>

	<p>relatively young age. There is a need in the city to up-skill the adult population across all ages, including the economically active but particularly the economically inactive, giving them the skills to contribute to an ever-changing labour market.</p> <p>Too often learners are unaware of current needs and future opportunities, which then leads to ill-informed decisions on education, training and employment options.</p> <p>The research work has provided a solid understanding of why certain groups and individuals continue to miss out on support. Designing the right local solutions that will make a meaningful local contribution is at the centre of this objective.</p>
Action 1.1	Effective engagement, finding and sign-posting
Specific	Projects / initiatives which support effective engagement, finding and sign-posting of clients missing out on employability and skills support.
Measurable	<p>Outputs</p> <p>441 participants 323 participants that are unemployed including LTU 118 participants that are inactive 79 participants that are aged over 50 48 participants that are from ethnic minorities 128 participants that have disabilities</p> <p>Results</p> <p>84 participants in education or training on leaving 52 unemployed participants in employment, including self-employment on leaving 35 inactive participants into employment or job search on leaving</p>
Achievable	Research and consultation has identified a need for this type of intervention, and there is a strong desire from local partners to pilot a select number of interventions that will improve engagement, targeting and sign-posting.
Realistic	Targets set are based on an indicative budget of £0.25m ESF.
Timebound	By June 2022 (with an interim evaluation of performance by Mar 2020).
Action 1.2	Support towards, into and during employment
Specific	Projects / initiatives which provide beneficiaries with pre-employability support and their transition into work.
Measurable	<p>Outputs</p> <p>1563 participants 1147 participants that are unemployed including LTU 418 participants that are inactive 282 participants that are aged over 50 172 participants that are from ethnic minorities 454 participants that have disabilities</p> <p>Results</p> <p>297 participants in education or training on leaving 184 unemployed participants in employment, including self-employment on leaving 120 inactive participants into employment or job search on leaving</p>

Achievable	There is scope and demand for a range of targeted employability and skills interventions that will complement other provision, respond to local needs and gaps in provision, and which test innovative ways of working, including collaboration with employers and promoting a shared outcome approach between delivery partners.
Realistic	Targets set are based on an indicative budget of £0.9m ESF.
Timebound	By June 2022 (with an interim evaluation of performance by Mar 2020).
Types of proposed activities	<ul style="list-style-type: none"> • Training activities and skills options that match local residents with employment opportunities; • Pathways to employment initiatives and in-work progression; • More targeted local interventions for those missing out on support; • Development of an 'information hub' for local employability / skills provision and available training and job opportunities; • Projects that use new/innovative ways of engaging residents not normally targeted for support; • Community based skills support; • Post-employment support, in-work advocacy and advice (e.g. health support, financial advice); • Activities that raise aspirations and tackle under-employment in the target area; • Activities which promote digital skills development to access courses, job / careers information, CVs/covering letters, job interviews etc; • Activities that promote mentoring, volunteering, progression support and transition support; • Projects that focus on addressing sector specific responses to the jobs-skills mismatch.
Links to other activity in the LDS	The activity supported through this action will focus on improving the skills, confidence and employment prospects of the individual. It will link to other actions where there are progression opportunities into enterprise awareness and development (strategic objective 2) or where project development and implementation work involves VCSE, private or public organisations collaborating on joint projects where additional capacity-building, information sharing or infrastructure may be required (strategic objective 3).
Links to other provision	This objective will have an important link to existing or planned skills and employability provision taking place within the same geography or targeting similar client groups or sectors. Other provision, such as that funded through the Big Lottery Fund, Skills Funding Agency or DWP, is analysed in more detail in section 3 of the LDS, and will be closely monitored by the LAG during the development of calls for projects.
Strategic objective 2: Boosting enterprise and entrepreneurship (ERDF)	
Rationale	<p>The rationale for this objective is clear from the identified market failures in the local economy. There have been a number of successful time-limited interventions over recent years that have demonstrated that enterprise and entrepreneurs can be engaged and succeed in the local economy, given the right support.</p> <p>Research conducted to support the CLLD development identified that major issues and challenges in respect of enterprise and business start-ups continue to exist, especially in the CLLD area:</p> <ul style="list-style-type: none"> • Enterprise support services in Sunderland have been scaled back in recent years;

	<ul style="list-style-type: none"> • There are no enterprise support services targeted specifically at, or exclusively for, the whole CLLD area; • There is limited support aimed at promoting enterprise and raising awareness; • There appears to be less support for people post start-up; • There is a core group of residents who are not interested in enterprise and who are unlikely to change their views; • There is a group of residents who have an interest in enterprise but need support to make this a reality; • There is a group of residents who are more neutral about enterprise but could perhaps be encouraged to consider self-employment; • Income insecurity is a key issue; • There is a disconnect between local disadvantaged communities and developments elsewhere in the city; • Suggestions that there is a culture of low aspirations and ambitions. <p>Our ambition is to go beyond what has been termed the ‘sticking plaster’ approach to support and provide a client-centred, hands-on approach.</p> <p>This objective will aim to support local interventions that will help to address low levels of enterprise activity (including social enterprise development). Activities supported will identify gaps in local and mainstream provision using the robust evidence base and drawing on best practice delivery and evaluation, both from projects delivered previously and by looking at projects delivered elsewhere in the region and nationally.</p> <p>The objective will seek to support the delivery of social innovation activity that will address a number of barriers to enterprise. These might include personal barriers to enterprise for a range of disadvantaged groups, such as low self-esteem and lack of confidence, and business barriers including support to develop business plans, financial advice and marketing support. It will aim to address the lack of awareness of enterprise as a viable alternative economic activity (self-employment rather than employment), and the poor linkages between economic markets and underserved markets, particularly within areas of multiple deprivation and areas of relative economic growth and job opportunities.</p> <p>Building on Sunderland’s ‘Social Enterprise City’ status, the objective will also explore alternative service delivery models and future market opportunities that will emerge for the VCSE sector, for example, from public service transformation and commissioning.</p>
Action 2.1	Inspiring an Enterprising Community - Awareness raising and developing a stronger enterprise culture
Specific	Projects / initiatives which support enterprise awareness and develop a stronger enterprise culture will be supported.
Measurable	317 potential entrepreneurs assisted to be enterprise ready (P11).
Achievable	There is a well-documented need for general enterprise awareness and capacity-building in the target area, particularly among women, young people, BME communities and the LTU.

Realistic	Targets set are based on an indicative budget of £0.3m ERDF.
Timebound	By June 2022 (with an interim evaluation of performance by Mar 2020).
Action 2.2	Creating Sustainable Enterprises - Pre-start & Start-up support
Specific	Projects / initiatives which enable community enterprise development will be supported.
Measurable	155 enterprises will receive support (C1) 109 new enterprises will receive support (C5) 116 jobs will be created in supported enterprises (C8)
Achievable	There is a strong demand for localised enterprise support and some good examples of how to make it work in deprived communities and among harder to reach groups.
Realistic	Targets set are based on an indicative budget of £0.6m ERDF.
Timebound	By June 2022 (with an interim evaluation of performance by Mar 2020).
Types of proposed activities	<ul style="list-style-type: none"> • Re-engaging disadvantaged communities and connecting them with economic opportunities; • Expanding horizons through enterprise awareness, education and communications; • Promoting role models and enterprise champions; • A change in the 'enterprise language'; • Showcasing of local businesses; • Capacity building to enable existing community workers (and youth workers) to be 'enterprise ambassadors'; • Enterprise coaching activity; • Support to formalise informal activities; • Nurturing new businesses through start-up support; • Business skills generator; • Linking businesses to communities through mentoring, leadership exchange; • Supporting those in employment who may wish to become self-employed; • A supported enterprise model or new social enterprise providing 'back office' support; • Guidance and advice in accessing financial support; • Ideas generation; • Support to assist the development and establishment of alternative service delivery models and mutuals.
Links to other activity in the LDS	The enterprise activities proposed share a number of links with the other activities in this strategy, most notably in relation to job creation potential and building sustainable enterprises at the very heart of the community. Creating new businesses will generate job opportunities across a range of sectors and the proposed employability activities, such as the information hub, skills support and post-employment support, will be closely linked to the enterprise objective. The enterprise activities will also provide direct support to strategic objective 3. Developing enterprise skills and business health checks will support community organisations, build local capacity, and complement the activities that promote prospecting for social investment opportunities.
Links to	The delivery of enterprise activities through CLLD will be complemented by a range

other provision	of business support provision and partner initiatives. As part of the enterprise research, the existing provision has been mapped to ensure that services are not duplicated, and that the proposed activities add value to the start-up offer. Examples of some of the services that will work closely with the enterprise activities include the NELEP Business Hub (an on-line portal of business advice, information and signposting), Finance North East (offering a suite of business finance support), Sunderland Business Network (networking and peer support) and Sunderland City Council Business Investment Team (property information, market intelligence).
Strategic objective 3: Improving community capacity, partnership working and social innovation (ESF)	
Rationale	<p>This objective will deliver activities that address the identified weaknesses in the quality of local infrastructure, lack of community capacity and social capital, and poor linkages between areas of multiple deprivation and areas of relative economic growth and job opportunities.</p> <p>It will promote the use of targeted interventions that will have a positive impact on community capacity, engagement, leadership and resilience. The objective will create opportunities for local community organisations to receive developmental support which is relevant to them, over and above any support they may currently receive. To support this, the partnership will look to enhance local service delivery for individuals and communities through effective use of community assets. It will also explore the potential for VCSE organisations to improve and develop service delivery, including social enterprise models so services address local needs effectively in a sustainable way. It will also explore how positive outcomes which benefit a range of stakeholder agencies could be realised through alternative delivery models, such as through social investment.</p> <p>The strategy recognises that the more opportunities people have to make a difference, the better they feel about the service they have helped to shape. Partners will work closely with the community to create a menu of opportunities locally, to inform people about ways in which they can engage and take advantage of opportunities available to improve their lives and to build on good practice that already exists. For partners, who at the moment design and deliver local services, there will be a change in the way they work, moving away from ‘top down’ working to ways of working that take the needs and wishes of communities into account and that try to meet those needs with services that are innovative and/or tailored to local and individual circumstances.</p>
Action 3.1	Investing in community leadership and capacity-building
Specific	Projects that promote leadership development, volunteering, active inclusion and citizenship, and that support the sustainability of VCSE organisations.
Measurable	<p>Outputs</p> <ul style="list-style-type: none"> 200 participants 145 participants that are unemployed including LTU 53 participants that are inactive 36 participants that are aged over 50 22 participants that are from ethnic minorities 58 participants that have disabilities

	<p>Results</p> <p>38 participants in education or training on leaving 23 unemployed participants in employment, including self-employment on leaving 15 inactive participants into employment or job search on leaving</p>
Achievable	Consultation with the VCSE sector in particular has identified the need for capacity-building support that promotes leadership, volunteering and collaborative working.
Realistic	Targets set are based on an indicative budget of £0.35m ESF.
Timebound	By June 2022 (with an interim evaluation of performance by Mar 2020).
Action 3.2	Promoting social investment and innovation
Specific	Projects which stimulate innovation and investigate, develop and implement new opportunities, services and models as foundations for local economic growth and regeneration, will be supported.
Measurable	<p>Outputs</p> <p>20 VCS organisations supported to deliver new community based services 10 social investment projects supported - e.g. new business models, feasibility studies, options appraisals completed</p> <p>Results</p> <p>5 New social investment / enterprise models and services developed 10 Existing services improved</p>
Achievable	There is considerable demand among the VCSE to develop new skills, ways of working and business models in order to build capacity and sustainability. However, there is a clear market failure in the funding and delivery of these types of interventions, particularly in the most deprived areas of the city.
Realistic	Targets set are based on an indicative budget of £0.35m ESF.
Timebound	By June 2022 (with an interim evaluation of performance by Mar 2020).
Types of proposed activities	<ul style="list-style-type: none"> • Package of support for community organisations who work with disadvantaged communities and clients; • Targeted support to stakeholder organisations and community groups, including capacity building, leadership and peer support programmes; • Joint sessions bringing community organisations and agencies together to explore support needs and sustainability, including practical and/or professional support requirements; • Social investment development, including investment readiness and business-planning activities; • Activities which promote digital skills capacity and development among VCSE organisations; • Activities aimed at developing mentoring, volunteering support and leadership/management skills, sustainability and capacity; • Initiatives to promote greater communication, collaboration and information sharing information.
Links to other activity in the LDS	This objective will link to both objectives. It will complement objective 1 by building VCSE organisational support, training and capacity leading to providers being able to offer enhanced provision and support to individual beneficiaries. It will also aim to stimulate new ways of working between local partners, including sharing data and collectively monitoring and tracking the progress of beneficiary groups.

	It will also offer early development support to VCSE organisations seeking to deliver new services and business models, and who may then progress to benefit from more structured or tailored business planning or enterprise support under objective 2.
Links to other provision	This objective will aim to add value to a number of capacity-building and social investment programmes that are available to VCSE organisations which are at the right stage of development or 'contract ready'. Linkages to programmes and provision funded through Reaching Communities, Communities Can, Big Potential, the Life Chances Fund and other social investment and community development programmes will be explored to ensure that the LDS maximises all available opportunities to lever additional funds and create new collaborative projects that promote social innovation.

Summary of the intervention logic

Local needs / opportunities	Local objectives / targets	Proposed actions	Performance indicators for monitoring progress and evaluating success
Strategic objective 1: Enhancing employment and skills provision (ESF)			39.6% LDS indicative allocation
<ul style="list-style-type: none"> Jobs / Skills Mismatch and disconnection between areas of need and opportunity Distance from the labour market and widening employment prospects for particular disadvantaged groups High proportion of unskilled adults with no qualifications 	<ul style="list-style-type: none"> Acquiring the right skills to ensure the CLLD target groups are able to access new jobs and opportunities Enabling those furthest away from the local labour market to get closer to and into work, and those in work to be more productive and progress their careers Improved knowledge of local provision, sign-posting and joint delivery 	<ul style="list-style-type: none"> Training activities and skills options that match local residents with employment opportunities Pathways to employment initiatives and in-work progression More targeted local interventions for those missing out on support 	<ul style="list-style-type: none"> Positive progression towards employment, training, volunteering or other outcome Improvements in participation levels and local employment rates Improved coordination of employment and skills provision
Strategic objective 2: Boosting enterprise and entrepreneurship (ERDF)			25.85% LDS indicative allocation
<ul style="list-style-type: none"> Low levels of enterprise awareness and formation Too many barriers to entrepreneurship 	<ul style="list-style-type: none"> Improving the enterprise culture and local infrastructure with higher numbers of entrepreneurs, SME start-ups, survivals and expansions Improved economic performance 	<ul style="list-style-type: none"> Enterprise awareness and coaching activities to stimulate interest Activities to convert business ideas and skills into new enterprises 	<ul style="list-style-type: none"> Increase in start-ups and progression towards enterprise Improved awareness of enterprise infrastructure
Strategic objective 3: Improving community capacity, partnership working and social innovation (ESF)			24.2% LDS indicative allocation
<ul style="list-style-type: none"> Low levels of social capital and community engagement Low success rate / take-up of funds / resources for community development projects 	<ul style="list-style-type: none"> Stronger community infrastructure and capacity-building support More resources / funding mobilised to invest in local people and assets Greater community participation, engagement, cohesion and social inclusion 	<ul style="list-style-type: none"> Social capacity-building actions, leadership and volunteering support Mentoring, collaboration and community development actions Social investment support 	<ul style="list-style-type: none"> Improved sustainability and resilience of VCSE sector Increased collaboration on joint projects Shared learning and knowledge transfer Better connected communities

Outputs and results

The outputs and results of the strategy have been developed as follows:

- Reference to the CLLD Call for projects (October 2015) setting out the indicative allocations and outputs for ESF and ERDF;
- Review of the Priority Axis 1 outputs and results in the ESF Operational Programme;
- Review of the Priority Axis 8 outputs and results in the ERDF Operational Programme;
- Benchmarking of other projects and programmes to identify an appropriate range of unit costs for the ERDF and ESF actions proposed.

The table below sets out the forecast ESF outputs for the LDS, based on an investment of £2.15m ESF (including programme management and administration costs). This has been benchmarked against the figures in the national Operational Programme and NELEP ESIF Strategy, and assumes that Sunderland's LDS will deliver 28% of the NELEP outputs.

ESF Outputs and Results	Sunderland LDS target	NELEP ESIF Strategy (April 2016) - 'More Developed' Area
Number of participants	2,204	7,870
Participants that are unemployed including long-term unemployed	1,615	5,510
Participants that are inactive	589	1,970
Participants that are aged over 50	397	1,490
Participants that are from ethnic minorities	242	880
Participants that have disabilities	640	2,270
Results		
Participants in education or training on leaving	419	1,495
Unemployed participants in employment, including self-employment on leaving	259	881
Inactive participants into employment or job search on leaving	171	571

The table below sets out the forecast ERDF outputs for the LDS, based on an investment of £1.5m in project activity. This has been benchmarked against the figures in the North East LEP ESIF Strategy (April 2016) and assumes that Sunderland's strategy can deliver a considerable proportion of the NELEP More Developed Area total.

ERDF Outputs	Sunderland LDS target	NELEP ESIF Strategy (April 2016) - 'More Developed' Area
Number of enterprises receiving support	155	359
Number of new enterprises supported (subset of the above output)	109	252
Employment increase in supported enterprises	116	270 FTEs
Number of potential entrepreneurs assisted to be enterprise ready	317	1,007

Summary of Performance Indicators by action	1.1	1.2	2.1	2.2	3.1	3.2	Total
Resource Amount by Action	500,000	1,800,000	500,000	1,000,000	700,000	700,000	5,200,000
Outputs							
Participants (ESF)	441	1563			200		2204
Participants that are unemployed including LTU (ESF)	323	1147			145		1615
Participants that are inactive (ESF)	118	418			53		589
Participants that are aged over 50 (ESF)	79	282			36		397
Participants that are from ethnic minorities (ESF)	48	172			22		242
Participants that have disabilities (ESF)	128	454			58		640
Enterprises that will receive support (ERDF)				155			155
New enterprises that will receive support (ERDF)				109			109
Potential entrepreneurs assisted to be enterprise ready (ERDF)			317				317
Results							
Participants in education or training on leaving (ESF)	84	297			38		419
Unemployed participants in employment, including self-employment on leaving (ESF)	52	184			23		259
Inactive participants into employment or job search on leaving (ESF)	35	120			16		171
Employment increase in supported enterprises				116			116
Other Performance Indicators							
Number of new social investment / enterprise projects developed (ERDF)			X	X		X	
Number of new solutions / services developed or improved (ESF and ERDF)	X	X	X	X	X	X	
Positive progression towards employment, training, volunteering or other outcome (ESF)	X	X			X		
Improved awareness of enterprise infrastructure (ERDF)			X				
Increased collaboration on joint projects (ESF and ERDF)	X	X	X	X	X	X	
Shared learning and knowledge transfer (ESF and ERDF)	X	X	X	X	X	X	
Improved skills, capacity and local leadership to meet local needs (ESF)					X		
CLLD target communities better connected and able to take advantage of wider opportunities (ESF and ERDF)	X	X	X	X	X	X	
Business Survival rates at 6, 12, 18 and 24 months (ERDF)				X			
Difference in household income pre and post start-up (ERDF)			X	X			

5.0 Community engagement process

Introduction

This section explains the process of engagement during the preparatory phase and the communication and engagement plans for the implementation phase.

Widespread support for the LDS and its approach has been secured, following extensive engagement and consultation with a range of stakeholders, including VCSE organisations, private sector and public partners as well as Leadership Boards, Elected Members and the Council's Executive Management Team. Community consultation has also been undertaken with the four Area VCS Networks to agree the geography, and to participate in the analysis of local needs and priorities. Input from the VCSE and private sectors have been particularly important features of the research work and SWOT analysis that have led to the agreed vision and 3 strategic objectives.

Strategy development consultation (February-August 2016)

The LAG has consulted widely on the development of the strategy, using a range of methods:

- Email updates to partners and partnership email lists;
- Meetings, interviews and focus groups with service providers, client groups, VCSE organisations, public and private partners;
- Feedback forms and survey work undertaken as part of the research work;
- Presentations to and discussions with partnership groups.

Between February and August 2016 stakeholders who had previously been involved in the application phase were invited to re-engage in the strategy development phase. Invites were sent out electronically via a number of routes, including to:

- Sunderland's Local Strategic Partnership;
- Economic Leadership Board;
- Education Leadership Board;
- Health and Wellbeing Board;
- The Sunderland NEET Network (organisations delivering support for young people not in employment, education or training);
- The Sunderland Family, Adult and Community Learning (FACL) Network;
- Mental Health Partnership 'New Horizons';
- Private sector forums and organisations such as the Chamber of Commerce, Federation of Small Businesses, North East Business Innovation Centre and Sustainable Enterprise Strategies (social enterprise);
- Voluntary & Community Action Sunderland (VCAS) and Area VCS Networks comprising around 600 community and voluntary sector groups;
- Elected Members and other local and strategic partners who had been involved in previous workshops.

A partnership workshop was arranged on 21 April 2016 attended by 23 participants. The outcome of this session was to invite local partners to set up a CLLD steering group, and strategy development sub-group, to progress the strategy. A meeting schedule was established to develop the key parts of the strategy and to manage the research work. The steering group agreed the content of the 2 invitations to tender in early May, focusing on employment and skills, and enterprise and entrepreneurship, and these were procured by 27 May 2016. Two organisations – New Skills Consulting and ERS Research & Consulting – were appointed to undertake the research, with a key objective to engage with local service providers, VCSE organisations, residents and local businesses. The research findings were reported to the steering group on 20 June 2016 (interim findings) and 14 July 2016 (final draft reports).

Following release of the initial research findings, the SWOT analysis workshop was held on 5 July 2016, attended by 19 participants representing a mix of sectors, geographies and communities of interest. The preliminary results of the SWOT were then shared and tested more widely with East, North, Washington and West Area VCS Networks as well as Local Elected Members to gain their views on the key messages and proposed actions, relative to the areas they represent.

Communications plan

In order to keep all potential beneficiaries and local stakeholders involved and informed about the LDS, a communications plan will be adopted by the LAG, within 4 months of the approval of the LDS, to ensure that information is widely and effectively disseminated.

The communication plan will build on the engagement activity undertaken to date, and ensure that a consistent and coordinated approach is implemented by the LAG. The specific objectives of the plan will be to:

- Actively promote the work of the LAG including the vision, strategic objectives, actions and targets of the LDS across the local VCSE, private and public sector community;
- Plan and implement regular communications and engagement with key stakeholders;
- Publicise and share achievements and impacts;
- Promote the engagement of local residents and businesses from across the CLLD target community with the intention of improving representation from under-represented groups;
- Improve awareness and understanding within the local community of the LDS and how it will implement CLLD activities.

Key stakeholder groups	Target groups / clients	Method
Local VCSE partners	Residents	<ul style="list-style-type: none"> • Email updates / social media • Face to face meetings and focus groups • Presentations / information sessions on opportunities for support • General awareness raising at public events
	Young people	
	Women	
	BME communities	
	People with disabilities	
	Other potential beneficiary groups / representatives	
	Community and voluntary groups	

	Volunteers	<ul style="list-style-type: none"> • Surveys, consultation and research to inform strategy and project design • Project development workshops / meetings • Local Action Group feedback • Success stories and good practice • Dissemination events
	Area VCS Networks	
	Local partnership groups	
Local business community	Local employers / SMEs	<ul style="list-style-type: none"> • Email updates / social media • Briefing events / presentations • Information sessions on opportunities for support • Surveys, consultation and research to inform strategy and project design • Dissemination events
	Social enterprises	
	Local investors / developers	
	Business support organisations	
	Local business forums / sector based networks and associations	
Public partners / strategic partners	3 Leadership Boards (Economic, Education, Health & Well-being)	<ul style="list-style-type: none"> • Email updates / social media • Briefing events / presentations • Match funding source • Strategic input and support • Information sharing and good practice • Partnership working and joined up services / delivery
	Sunderland City Council – Directorate level support	
	Public Health and CCGs	
	Job Centre Plus	
	Local politicians - Elected Members and MPs	
External organisations	Funders – trusts and foundations	<ul style="list-style-type: none"> • Progress reports and meetings • Match funding opportunities • Information sharing and good practice
	Other LAGs	
Managing Authority	DCLG	<ul style="list-style-type: none"> • Formal reporting • Promoting success • Sharing good practice • Joint approaches across LAGs
	DWP	
Media	Local press and radio	<ul style="list-style-type: none"> • General information, campaigns and competitions • Promoting events, projects and services • Publicising local results / impact
	Online - website	
	Social Media – Facebook, Twitter, Instagram, Snap Chat	
	Council – Corporate Communications Team	

Compliance with ESIF publicity guidance

All communications activity will be undertaken in line with ESIF publicity guidance. Funding sources for the programme (i.e. ESF, ERDF and other sources of match funding) will be recognised through the following measures:

- Plaques will be displayed where appropriate;
- Project marketing materials;
- Public consultation events;
- Press releases and publications;
- Case studies, good practice and positive news events.

6.0 Governance and management arrangements

The Local Action Group

The LAG comprises the following representatives, bringing together a wide range of skills, interests and experience, and most importantly representing different sectors, areas and stakeholder groups from across the CLLD geography. The LAG has a strong mandate from wider partners to represent their organisations, clients and residents in a fair and transparent way.

Sector / organisation	Name	Groups / interests / areas they represent
Voluntary and Community		
Sunderland North Community Business Centre	Nikki Vokes	Employability, training and skills support for vulnerable client groups
Sunderland Black and Minority Ethnic Network Limited	Michal Chantkowski	Black and minority ethnic groups and BME VCS, international communities
Gentoo Group Limited	John Ford	Housing association, Resident groups
Voluntary & Community Action Sunderland	Gillian McDonough	Voluntary and community sector organisations, volunteers
Young Asian Voices	Kamareswaradas Ramanathas	Young people, black and minority ethnic community
Sunderland City Council (representing the Learning Disability Partnership Board)	Ben Rosamond (interim)	Sunderland Learning Disability Partnership Board, Sunderland's Autism Partnership Board
Private		
Training in Care Ltd and The Care People Community Interest Company	Dr Angela Brown	Workforce development, vocational training and business enterprise
Sustainable Enterprise Strategies	Mark Saddington	Social enterprise sector organisations, Economic Leadership Board
North East Business & Innovation Centre	Paul McEldon	SME community
Sunderland Home Care Associates	Debbie Byers	Private sector, Employee owned social enterprise
Public		
Sunderland College	Michael McKie	Further education, training and learning providers
Department for Work & Pensions – Jobcentre Plus Employer & Partnership Team	Bernadette Topham	Advisory support on city-wide employability provision and strategic fit
Washington VCS Network / Area Committee	Cllr Linda Williams	Residents and VCSE sector in Washington
North Area VCS Network / North Area Committee	Cllr Ronny Davison	Residents and VCSE sector in North Area
East Area VCS Network / East Area Committee	Cllr Ellen Ball	Residents and VCSE sector in East Area
West Area VCS Network / West Area Committee	Cllr Peter Gibson	Residents and VCSE sector in West Area

The LAG has agreed that it will operate an open and inclusive membership policy and, when additional representation or input is needed, it will invite new members to join or will seek strategic advice from organisations as required.

The LAG also agreed the Terms of Reference. It is envisaged that the LAG will meet monthly for the first 12 months, and that this will be reviewed on an on-going basis. The LAG will also decide whether it is appropriate to set up specific task or sub-groups, for example, focusing on funding, communications or performance monitoring and evaluation.

The LAG will operate as a partnership, with Sunderland City Council as Accountable Body. Roles and responsibilities of LAG members and the Accountable Body will be set out in a Memorandum of Understanding. This will ensure the LDS is managed and implemented effectively and efficiently.

Supported by a programme secretariat / team within the Accountable Body, the key roles of the LAG are set out in the table below.

- Develop and consult on the implementation of the Local Development Strategy;
- Implement an effective communications and engagement plan;
- Oversee project animation, training and capacity building support;
- Commission project activity including agreeing call specifications, consulting on call requirements and issuing calls for projects;
- Oversee the development of projects to full application (ensuring that a quality pipeline of projects are encouraged);
- Oversee project appraisal and approval processes, from expression of interests / outline applications to full applications;
- Approve projects following technical appraisal;
- Monitor delivery of projects and the Local Development Strategy;
- Identify wider match funding opportunities and ensuring alignment and fit with other local, national and European funded provision;
- Network with other LAGs to ensure good practice is shared;
- Review and commission evaluations;
- Implement a conflicts of interest policy;
- Implement a project monitoring and evaluation plan, including project engagement and monitoring visits;
- Monitor and review risks associated with the delivery of the strategy.

Conflicts of interest may arise when the judgement of a member of the LAG may be compromised, for example, by individual or collective self-interest, professional or public interest.

In order to manage conflicts of interest, the LAG will take the following steps.

- Establish an up-to-date register of interests for each member;
- Ensure that no close relative of an individual applicant or an employee or representative of an organisation applying for funding can:
 - Participate in the LAG decision making process;

- Appraise or score an application from that applicant;
- Be involved in any monitoring activities relating to the applicant.

The LAG Chair will be responsible for making sure that LAG meetings record when a conflict has been raised and appropriate steps taken. The Chair will have ultimate responsibility to resolve any conflict of interest questions or queries, regarding a LAG member's right to be involved in the decision-making process and right to vote.

Equal opportunities and gender equality

The Local Action Group (LAG) recognises that diversity is a positive attribute that brings many social and economic benefits. Improving equality of opportunity, addressing discrimination and building community cohesion are core values of the strategy and how it is implemented. Equality is integral to its practices and essential to ensuring that projects and services are accessible to all.

The LAG will operate in full compliance with the Public Sector Equality Duty, set out in the Equality Act 2010, by ensuring that people are not discriminated against by virtue of their age, disability, sex, race, religion and belief, sexual orientation, pregnancy and maternity, and gender reassignment. Together, we will aim to ensure that the projects supported through the LDS promote equal access and provide the best possible opportunities for target beneficiaries to develop and achieve their full potential.

The strategy will draw on the Council's Equality Scheme to ensure positive impacts for all groups are maximised, and any potential negative impacts are mitigated. Analysis of the issues contributing to deprivation is considered in relation to the characteristics protected by the Equality Act 2010 and by other characteristics we recognise as potential barriers to equality of health, wealth and opportunity.

As part of the project application process, applicants will be asked to complete an equal opportunities, aimed at encouraging project applicants and delivery partners to target the most under-represented target groups and improve service delivery to these beneficiaries. The checklist will cover staff, participants, performance and arrangements for reviewing its implementation.

Environmental sustainability

In developing and implementing the LDS it is important to make sure that local economic and social growth happens in ways that are consistent with maintaining a sustainable, liveable environment. To help do this, the Local Action Group will use the ten principles of the One Planet Living concept adopted by Sustainable Sunderland, the local partnership for sustainability¹.

¹ Sustainable Sunderland is one of twelve partnerships in England supported by Big Lottery Fund's Communities Living Sustainably programme. It has delivered a range of environmental projects that have changed behaviour and supported business development in its target area (Hendon, Millfield, Pallion and Southwick). The Sustainable Sunderland target area forms part of the LDS target area.

One Planet Living themes are set out below:

Zero carbon	making buildings more energy efficient and delivering all energy with renewable technologies
Zero waste	reducing waste, reusing where possible, and ultimately sending zero waste to landfill
Sustainable transport	encouraging low carbon modes of transport to reduce emissions, reducing the need to travel
Sustainable materials	using sustainable and healthy products, such as those with low embodied energy, sourced locally, made from renewable or waste resources
Local and sustainable food	choosing low impact, local, seasonal and organic diets and reducing food waste
Sustainable water	using water more efficiently in buildings and in the products we buy; tackling local flooding and water course pollution
Land use and wildlife	protecting and restoring existing biodiversity and natural habitats through appropriate land use and integration into the built environment
Culture and heritage	reviving local identity and wisdom; supporting and participating in the arts
Equity and local economy	creating bioregional economies that support fair employment, inclusive communities and international fair trade
Health and happiness	encouraging active, sociable, meaningful lives to promote good health and well being

The One Planet Living principles will provide a clear direction for the implementation of the strategy and ensure that there is a consistent approach to balancing the needs of economic and social development with the requirements of maintaining a liveable city.

Through the Sustainable Sunderland partnership, other examples of good practice in sustainable development will be shared with local organisations seeking to deliver activities funded through the strategy.

Innovation

'Social innovations [are] new ideas (products, services and models) that simultaneously meet social needs and create new social relationships or collaborations. In other words, they are innovations that are both good for society and enhance society's capacity to act'.

(Murray et al, The Open Book of Social Innovation, 2010)

In order to achieve ‘social innovation’ in the LDS, the LAG will aim to promote examples of good practice and models which engage strong partnerships to enable project innovation and sustainability.

Innovation in the LDS is likely to take a number of forms, such as:

- New models of delivery – Social enterprise, social investment;
- New forms of engagement – co-design, bottom-up, communication methods, social media, different client groups/stakeholders;
- New partnership working – multi-agency, cross-sector;
- New processes implemented – co-commissioning, monitoring, information-sharing;
- New products, services and markets created and tested.

In order to generate positive social impacts the LAG will use a range of criteria to identify, initiate, support, share and monitor innovation. It also recognises that a degree of risk is needed when supporting projects that have not been tried and tested before, and that this should not prevent new approaches from being supported using CLLD.

Project development and selection

The project development and selection process has been carefully considered to ensure that the type and volume of projects are manageable and that partnership-working, social innovation and co-production are core features of the implementation stage. This section summarises the:

- Proposed approach to project development, project application and project approval;
- Sequence of events and who will be involved at each stage of the process;
- How decisions will be made by consensus and voting.

The proposed approach is summarised in the table below with indicative timescales.

	Stage	Description	Time	Who
1	Specification research, consultation and design	<ul style="list-style-type: none"> • LAG sets up a task / thematic group to research and draft the call(s) for projects. 	8 weeks	LAG, sub-group, strategic partners advice
2	Specification approval	<ul style="list-style-type: none"> • The LAG approves the specification prior to being issued. This can be carried out by written procedure. 	1 week	LAG, Accountable Body
3	Launch of calls for Stage 1 outline applications (expressions of interest)	<ul style="list-style-type: none"> • Publication of calls. • Animation activities, workshops, guidance and information events. 	4 month open calls with review points	LAG, Accountable Body
4	Review and appraisal of projects	<ul style="list-style-type: none"> • Accountable Body, on behalf of the LAG, and in line with agreed processes, assesses Stage 1 applications. • Confirmation that project activity is in line with ERDF or ESF eligibility 	2 weeks	Accountable Body, LAG

		guidelines.		
5	Approval or rejection of Stage 1 proposals	<ul style="list-style-type: none"> Decision by LAG to approve or reject Stage 1 proposals. 	1week	LAG
6	Invitation to submit Stage 2 full applications	<ul style="list-style-type: none"> Accountable Body, on behalf of the LAG, invites the applicant to develop a Stage 2 full application. 	3-6 months	Accountable Body, LAG
7	Review and appraisal of Stage 2 full application including due diligence	<ul style="list-style-type: none"> Accountable Body, on behalf of the LAG and in line with agreed processes, assesses Stage 2 applications. 	4 weeks	Accountable Body, LAG
8	Recommendation to approve or reject	<ul style="list-style-type: none"> Decision by LAG to approve or reject Stage 2 application. 	1 week	LAG
9	Approval and contracting stage	<ul style="list-style-type: none"> Funding agreement issued by the Accountable Body. 	2 weeks	Accountable Body, LAG
10	Monitoring and review	<ul style="list-style-type: none"> Accountable Body provides guidance to approved projects on monitoring and claims process. 	Project Initiation Visit	Accountable Body
11	Evaluation	<ul style="list-style-type: none"> Accountable Body provides guidance to approved projects on evaluation requirements. 	Project Initiation Visit	Accountable Body
12	Audit and verification	<ul style="list-style-type: none"> Accountable Body provides guidance to approved projects on audit and verification. 	Project Initiation Visit	Accountable Body
13	Closure	<ul style="list-style-type: none"> Accountable Body provides guidance to approved projects on closure and document retention. 	Project Initiation Visit and Project Closure Visit	Accountable Body

The LAG will be responsible for agreeing and implementing an open and transparent procedure for the selection of operations/projects, which avoids conflicts of interest. The required quorum for decisions will be 6 members, with at least 50% of the votes on project selection decisions needed from non-public partners. Selection by written procedure will also be allowed when the LAG is unable to meet or when an urgent decision is required that cannot wait until the next LAG meeting.

For the scoring and evaluation of project applications, separate guidance will be drafted and approved by the LAG, and made available on the CLLD website for applicants.

Forward strategy and succession planning

The LAG will establish an early view in the first 2 years of its operations, regarding the development of a forward plan for the partnership beyond 2022. During the five-year delivery period the long term collaboration of partners will be discussed along with the future purpose of the LAG and its priorities for the next five years, as well as the external environment at the time. The LAG will continue to review its strategic aims and objectives, and decide where the LAG is heading and how it will get there. This will include looking at the strengths and weaknesses of the partnership in delivering the strategy. The original

research undertaken by New Skills Consulting and ERS Research & Consultancy will also be used to assess how far the strategy has plugged gaps in provision and improved collaboration between local service providers and projects.

If it is seen as appropriate and beneficial to the target areas to continue to collaborate using the CLLD model, a business plan will be developed to ensure the partnership is sufficiently focused on its future role, including:

- Vision and purpose;
- Strategic objectives and actions;
- Stakeholder engagement;
- Governance arrangements;
- Funding strategy and resources;
- Performance Indicators.

The future of the LAG and the forward plan will be influenced by the interim and final external evaluations that are carried out during the CLLD delivery. The success of the LDS will have a large influence over the future of the LAG, its objectives and priorities.

The Accountable Body

The Council's Executive Management Team agreed the Council's proposed role as Accountable Body at its meeting on 5 July 2016, subject to the LDS being approved by the Managing Authorities in October 2016. A report was presented to the Council's Cabinet in November 2016 setting out the detailed roles and responsibilities, and precise resource requirements, involved in performing the role. The report was approved by Cabinet and the Stage 2 Full Applications were submitted on 31 January 2017.

In summary, the Council's responsibilities as Accountable Body will be to:

- Support the Local Action Group;
- Facilitate project development;
- Assess and approve projects;
- Disburse grant funding to applicants;
- Monitor and verify activities, expenditure and performance;
- Manage audit, risk, evaluation and programme closure requirements.

During the Strategy Development stage, the Council has worked closely with the CLLD Steering Group and Strategy sub-group, to facilitate meetings and workshops, to engage with key stakeholder groups and to help manage the research work. Since the CLLD call was launched in October 2015, the Council has been keen to ensure that other local organisations had the opportunity to express interest in performing the Accountable Body role. However, no local organisations felt they had the capacity or inclination to undertake this role.

The Accountable Body role will involve staff working directly and indirectly with the LAG, for example, a Coordinator, staff providing a secretariat function to the LAG, and staff undertaking financial and administrative functions to manage the dispersal of ERDF and ESF

investment. Existing staff will be deployed by the Council to support the management, delivery and monitoring of the strategy in a compliant manner.

The Accountable Body will also provide legal support to create funding agreements and advise on State Aid (where applicable), and accountancy support to ensure a smooth process for payment of claims.

Timetable – Indicative milestones

In order to ensure that programme delivery can start promptly, the following milestones are critical to successful delivery of the Local Development Strategy.

Indicative milestones	Timeframe	Who
Final Local Development Strategy submitted	31/08/16	Accountable Body on behalf of the LAG
Strategy approved by Government and start date for Stage 2 implementation (Management and Administration)	26/10/16	Accountable Body
Council Cabinet approval secured to undertake Accountable Body role	23/11/16	Accountable Body
Full application deadline ERDF and ESF	31/01/17	Accountable Body on behalf of the LAG
ESF and ERDF Full applications approved	October 2017	DWP / DCLG (Managing Authorities)
Launch event – workshops and first call for projects issued with a 6 month window	01/11/17-30/04/18	Accountable Body / LAG
CLLD activities start date (dates will vary depending upon project match funding position)	Jan 2018	Delivery organisations
Second call for projects - open call with a 4-6 month window (thereafter open calls will be issued quarterly)	Spring/summer 2018 (TBC)	Accountable Body / LAG
Interim Evaluation	31/03/20	Accountable Body / LAG
Final completion date for project activity	30/06/22	Accountable Body / LAG / Delivery organisations
Verification and audit – to be arranged individually at project completion	On-going	Accountable Body (Internal Audit)
Final Evaluation complete	30/06/22	Accountable Body / LAG
Financial completion date	31/12/22	Accountable Body / LAG

7.0 Financial plan – summary and narrative

Financial plan and assumptions

The LDS includes a realistic and robust budget for the delivery of the CLLD activity. The budget covers 5 years of expenditure between October 2017 and September 2022 with programme management costs included from October 2016 until December 2022.

The tables below summarise the breakdown of funds by strategic objective and action.

Summary of the financial plan by strategic objective and action

	ERDF	ESF	Other funds	Total	% LDS allocation
Programme management		£0.3m	£0.3m	£0.6m	10.35%
Objective 1					
Action 1.1		£0.25m	£0.25m	£0.5m	8.60%
Action 1.2		£0.9m	£0.9m	£1.8m	31%
Objective 2					
Action 2.1	£0.3m		£0.2m	£0.5m	8.60%
Action 2.2	£0.6m		£0.4m	£1.0m	17.25%
Objective 3					
Action 3.1		£0.35m	£0.35m	£0.7m	12.10%
Action 3.2		£0.35m	£0.35m	£0.7m	12.10%
Total	£0.9m	£2.15m	£2.75m	£5.8m	100%
% of LDS funds	15.50%	37%	47.50%	100%	

The key assumptions that support the financial plan are as follows:

- The proposed overall budget for the Local Development Strategy is £5.8m including all programme management and activity costs;
- The costs associated with undertaking the Accountable Body role, coordinating the Local Action Group and managing the delivery of the strategy are estimated to be £600,000 which is 10.3% of the total cost of delivering the strategy;
- The costs associated with coordinating the Local Action Group and managing the delivery of the strategy will be supported by the European Social Fund (as the lead fund);
- The source(s) of match funding for the costs associated with programme management and administration, including supporting the Local Action Group and managing the delivery of the strategy, will be provided by Sunderland City Council or other appropriate sources secured during its delivery;
- The total budget for projects to be funded from the Local Development Strategy is £5.2m;
- The total amount of European Regional Development Fund that will be used to fund projects is £900,000 at an average grant rate of 60%;
- The total amount of European Social Fund that will be used to fund projects is £1.85m at an average grant rate of 50%;

- The Local Action Group has not secured any match funding to date to support project activity, however, as outlined in the funding section below, has been in discussions with various funders (including the Big Lottery Fund and numerous national and regional foundations) who are keen to support new project activities targeting local needs and priorities in the most deprived communities of Sunderland's CLLD area. These areas have been identified as 'coldspots' for community development funding in recent years;
- The overall amount of match funding that projects funded from the strategy will be required to leverage is £2.45m.

Programme management and administration costs

Programme management and administration costs have been kept as low as possible in order to ensure that the maximum amount of grant is focused on the delivery of local activities as outlined in the strategy.

The costs for management are heavily weighted on staffing costs with a small amount included for audit, verification and evaluation. The salary costs are based on actual salary, NI and superannuation costs, and therefore have a high degree of certainty. Other costs have been estimated using previous experience or in cases where previous activity has not been delivered, the market rate has been explored through research and quotations.

The budget reflects the staffing levels required to deliver a programme of activities along with the number of staff required to adhere to the segregation of duties as set out in the Accountable Body Guidance. It is noted that a minimum of three members of staff are required in order to carry out the Accountable Body role.

Programme management costs may vary depending on a number of factors:

- Quality and number of local projects seeking funding;
- Amount of capacity building support required including effective animation with under-represented communities and groups;
- Availability of match funding for the programme as a whole;
- Implementing an effective application, approval and payment process, including adequate separation of duties;
- Implementing efficient and proportionate monitoring, evaluation, audit and closure controls for both ERDF and ESF activities.

Identification of other funding sources

The LAG has limited access to immediate match funding and other resources. As such, the projects that the strategy will support are likely to only be developed and implemented in partnership with others. Given this position, the LAG will adopt a proactive approach to identifying and maximising leverage from potential additional resources.

The LAG will be supported by a funding sub-group to identify future funds that will align to ESIF eligible activities. This will include continuing to assess, track and engage with a range of potential match funders including:

- Big Lottery Fund and other lottery distributors;
- Charitable trusts, foundations and private funding;
- North East Combined Authority and North East Local Enterprise Partnership;
- Central Government departments;
- Social investment programmes;
- Resources targeting the Voluntary, Community and Social Enterprise sector;
- Relevant health commissioners, including Public Health and the local Clinical Commissioning Group;
- Employability, skills, education and health budgets;
- Partner and stakeholder organisations;
- Private sector contributions to local projects.