

CABINET AGENDA

Tuesday, 29 November 2016 at 10.00 am in the Blaydon Room - Civic Centre

From the Acting Chief Executive, Mike Barker

Item Business

1 **Apologies for absence**

2 **Minutes** (Pages 3 - 14)

Cabinet is asked to approve the minutes of the last meeting held on 8 November 2016

Key Decisions

3 **Community Led Local Development - Accountable Body Status and Matched Funding** (Pages 15 - 100)

Report of the Strategic Director, Communities and Environment

Recommendations to Council

4 **Centrally Employed Teachers' Pay Policy 2016** (Pages 101 - 128)

Report of the Strategic Director, Corporate Services and Governance

5 **Revision to the Early Retirement/Redundancy Payments for Teachers and members of the Teachers' Pension Scheme** (Pages 129 - 144)

Report of the Strategic Directors, Corporate Services and Governance and Corporate Resources and Interim Strategic Director, Care, Wellbeing and Learning

Non Key Decisions

Urgent Business

Pursuant to Section 100A of the Local Government Act 1972 the following item of business has been added to the agenda to enable the consultation response to be considered in a timely manner.

6 **Responses to Consultation** (Pages 145 - 172)

Report of the Chief Executive

7 **Tyne & Wear Archives & Museums: Joint Agreement & New Governance Arrangements** (Pages 173 - 180)

Report of the Strategic Directors, Corporate Services and Governance and Communities and Environment

8 Proposal to Provide Additional Provision within Gateshead Behaviour Support Service (Pages 181 - 188)

ITEM WITHDRAWN

9 Childcare Sufficiency Report 2016 (Pages 189 - 206)

Report of the Interim Strategic Director, Care, Wellbeing and Learning

10 Review of Gateshead Highways Asset Management Plan (Pages 207 - 222)

Report of the Strategic Director, Communities and Environment

11 Non Domestic Rates - Transfer of Uncollectable Amounts (Pages 223 - 226)

Report of the Strategic Director, Corporate Resources

12 Nomination of Local Authority School Governors and Appointment of Academy Governors and PRU Management Members (Pages 227 - 230)

Report of the Interim Strategic Director, Care, Wellbeing and Learning

13 Exclusion of the Press and Public

The Cabinet may wish to exclude the press and public from the meeting during consideration of the following item(s) on the grounds indicated:

Item	Paragraph of Schedule 12A to the Local Government Act 1972
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14 Follingsby Enterprise Zone (Pages 231 - 238)

Report of the Strategic Director, Communities and Environment

GATESHEAD METROPOLITAN BOROUGH COUNCIL

CABINET MEETING

Tuesday, 8 November 2016

PRESENT: Councillor M Gannon

Councillors: M Brain, A Douglas, G Haley, J McElroy and
L Twist

C101 APOLOGIES FOR ABSENCE

Apologies for absence have been received from Councillors C Donovan, M Foy, L Green and M McNestry.

C102 MINUTES

The minutes of the Cabinet meeting held on 11 October 2016 were approved as a correct record and signed by the Chair.

C103 ERDF LOW CARBON PROJECT PROPOSALS

Consideration has been given to accepting grant awards from the European Regional Development Fund (ERDF) for High Rise Energy Infrastructure for Gateshead Housing Tenants (HEIGHTs) and Bringing Plastic District Heating Technology to the UK and to the award of construction contracts for these projects.

- RESOLVED -
- (i) That the acceptance of an ERDF grant of £4.66m, comprising of £4.55m capital grant and £0.11m revenue grant for the HEIGHTs project be approved.
 - (ii) That the acceptance of an ERDF grant of £0.89m, comprising of £0.86m capital grant and £0.03m revenue grant for the Plastic District Heating Project be approved.
 - (iii) That the award a contract of up to £11.3m to Wilmott Dixon Construction via the SCAPE Major Works Framework, for delivery of the HEIGHTs project be approved.
 - (iv) That the award of a contract of up to £2.35m to Balfour Beatty via the SCAPE Civil Engineering and Infrastructure Framework, for the delivery of the Plastic District Heating Project be approved.
 - (v) That the Strategic Director, Communities and Environment be given delegated authority, following consultation with the Strategic Director, Corporate

Resources, to agree the final terms, scope and costs of the contract awards.

The above decisions have been made for the following reasons:

- (A) To continue to deliver Council priorities around reducing fuel poverty, energy consumption and carbon emissions.
- (B) To support initiatives to generate costs savings and income streams for the Council.
- (C) To secure significant external grant funding to support capital investment as part of the Council's Capital Programme.

C104 REVENUE BUDGET - SECOND QUARTER REVIEW 2016/17

Consideration has been given to the latest monitoring position on the 2016/17 revenue budget at the end of the second quarter to 30 September 2016 and to recommending to Council a budget virement in relation to Adult Social Care.

- RESOLVED -
- (i) That the Council be recommended to approve the budget virement to re-align budgets relating to the delivery of the agreed saving of £3.300m for a Revised Demand Management Model for Adult Social Care and involving the following budget movements which will have a neutral impact on the budget overall:
 - Development and Public Protection to be reduced by £0.106m
 - Housing General Fund to be reduced by £0.122m
 - Commissioning and Quality Assurance to be reduced by £0.983m
 - Early Help to be reduced by £0.018m
 - Social Work Children and Families to be reduced by £0.033m
 - Adult Social Care to be increased by £1.262m
 - (ii) That the Council's revenue expenditure position at 30 September 2016, as set out in appendix 1 to the report be noted.

The above decisions have been made to contribute to the sound financial management of the Council and medium term financial sustainability.

C105**CAPITAL PROGRAMME AND PRUDENTIAL INDICATORS 2016/17 - SECOND QUARTER REVIEW**

Consideration has been given to the latest position on the 2016/17 Capital Programme and Prudential Indicators at the end of the second quarter to 30 September 2016.

RESOLVED -

That the Council be recommended to:

- (i) Approve that all variations to the 2016/17 Capital Programme as detailed in appendix 2 to the report be agreed as the revised programme.
- (ii) Approve the financing of the revised programme.
- (iii) Note the capital expenditure and capital financing requirement indicators have been revised in line with the revised budget and that none of the approved Prudential Indicators set for 2016/17 have been breached.

The above decisions have been made for the following reasons:

- (A) To ensure the optimum use of the Council's capital resources in 2016/17.
- (B) To accommodate changes to the Council's in-year capital expenditure plans.
- (C) To monitor performance within the approved Prudential Limits.

C106**GATESHEAD COMMUNITY INFRASTRUCTURE LEVY (CIL)**

Consideration has been given to the outcome of the Examiner's report on the Gateshead CIL Draft Charging Schedule, the proposed minor modifications to the final Charging Schedule and associated policies and to the proposed formal adoption of the Charging Schedule and associated policies.

RESOLVED -

- (i) That the Council be recommended to note the Report on the Examination of the Gateshead and Newcastle Community Infrastructure Levy (CIL) Draft Charging Schedules (August 2016).
- (ii) That the Council be recommended to approve the content of the CIL Charging Schedule.
- (iii) That the Council be recommended to formally adopt the CIL Charging Schedule and approve that it shall take effect from 1 January 2017.

- (iv) That the Gateshead CIL Instalments Policy and Regulation 123 Infrastructure List be approved.
- (v) That as required following monitoring, the Strategic Director, Communities and Environment be given delegated authority to approve revisions to any of the matters listed in (iv) above going forward.
- (vi) That the Service Director, Transport, Development and Public Protection be designated as the officer responsible for CIL implementation.
- (vii) That a further report be submitted to Cabinet on the implementation of the 15% communities' element with proposals for governance and distribution of this element of CIL.

The above decisions have been made for the following reasons:

- (A) To ensure that sufficient infrastructure is provided at both a local and strategic level to facilitate and accommodate the growth proposed in the Plan.
- (B) To ensure that Gateshead's CIL is adopted and implemented in accordance with statutory requirements.
- (C) To facilitate persons liable to pay CIL to make payments by instalments.

C107 BUDGET CONSULTATION 2017 - 2020

Consideration has been given to consultation on plans to reshape council services to meet the financial challenge over the next three years; and current draft budget proposals as part of the budget setting process for 2017-18.

RESOLVED - That the consultation to inform the budget report which will be presented to Cabinet on 21 February 2017, as set out in the report, be approved.

The above decisions have been made for the following reasons:

- (A) To continue the delivery of Vision 2030 and the Council Plan 2015-2020.
- (B) To meet the needs of residents, businesses and partners in a principled and planned way, within the context of the resources available.
- (C) To manage its financial, property and human resources effectively in exceptionally challenging financial

circumstances.

(D) To shape the future direction of the Council.

C108 RESPONSES TO CONSULTATION

Consideration has been given to responses to recent consultations.

RESOLVED - That the responses to the following consultations be endorsed.

- Reporting and Acting on Child Abuse and Neglect – HM Government
- Improving the use of Planning Conditions – Department for Communities and Local Government.

The above decision has been made to enable the Council to contribute responses to the consultations.

C109 REVIEW OF COUNCIL'S DISCRETIONARY RATE RELIEF POLICY

Consideration has been given to a proposal to review and consult upon the Council's Discretionary Rate Relief policy.

- RESOLVED -
- (i) That the proposal to consult and seek views on the most appropriate ways to provide discretionary rate relief be approved.
 - (ii) That a further report be submitted to Cabinet on the outcomes of the consultation process.

The above decision has been made to ensure optimum use of the Council's resources.

C110 FRAMEWORK FOR THE SUPPORT OF PEOPLE WITH A LEARNING DISABILITY AND/OR AUTISTIC SPECTRUM CONDITION AT HOME AND IN THE COMMUNITY

Consideration has been given to a plan to introduce a Framework for the provision of support at home and in the community for people with a learning disability and/or autism from 1 April 2017.

RESOLVED - That the approach being taken to implement a Framework for the provision of support at home and in the community for people with a learning disability and/or autism from 1 April 2017 be approved.

The above decision has been made for the following reasons:

- (A) To consolidate current costs and contracts for learning disability services and contribute to the delivery of the proposed savings.
- (B) To support a move to a progressive model of support which has a focus on achieving positive outcomes for individuals.
- (C) To attract new providers to the market in Gateshead.

(Councillor Douglas declared a personal interest in this matter because a family member is in receipt of services).

C111 NOMINATION OF LOCAL AUTHORITY SCHOOL GOVERNORS

Consideration as been given to the nomination of local authority governors to schools where there are currently vacancies.

RESOLVED - That the following nominations be approved for a period of four years from the date indicated, in accordance with the Schools' Instruments of Government.

- Brighton Avenue Primary – Councillor E McMaster from 13 December 2016
- Clover Hill Primary – Councillor M Ord from 15 December 2016
- St Anne's RC Primary – Councillor J McElroy from 6 October 2016

The above decisions have been made to ensure the Governing Bodies have full membership.

C112 NORTH EAST JEREMIE 2 FUND

Consideration has been given to the action taken by the Acting Chief Executive following consultation with the Strategic Directors, Corporate Resources and Communities & Environment in approving the participation of the Council in a Special Purpose Vehicle, which will be a company limited by guarantee, alongside other NECA constituent authorities in order to enable the creation of the North East JEREMIE 2 Fund.

RESOLVED - That the action taken be noted and endorsed.

The above decision has been made in accordance with the requirements of the Council's Constitution and to ensure that the Council's participation in the scheme is guaranteed.

C113 LIBRARY SERVICE REVIEW - PUBLIC CONSULTATION FINDINGS

Consideration has been given to the outcome of the consultation with residents and other stakeholders regarding the Library Service Review and to the commencement of a 90 day employee consultation period regarding the options presented to the public for consultation.

- RESOLVED -
- (i) That the findings of the Library Service consultation be noted.
 - (ii) That the options described in appendix 1 to the report be approved as the basis for employee consultation and that a further report be presented to Cabinet on 23 February 2016, following the Council's formal consultation on its budget, for a decision on implementation.
 - (iii) That continued work between services within the Council (Adult Social Care, Health and Children's Services) and other partner organisations be approved and the acceleration of work to consider opportunities to enhance and integrate the libraries offer as part of the early help model be endorsed.

The above decision has been made to ensure the Council provides a Library Service which meets its statutory duties and which is sustainable into the future.

C114 PETITIONS SCHEDULE

Consideration has been given to the latest update on petitions submitted to the Council and the action taken on them.

- RESOLVED - That the petitions received and the action taken on them be noted.

The above decision has been made to inform Cabinet of the progress of petitions.

C115 EXCLUSION OF THE PRESS AND PUBLIC

- RESOLVED - That the press and public be excluded from the meeting during consideration of the remaining business in accordance with the indicated paragraphs of Schedule 12A to the Local Government Act 1972.

C116 RESTRUCTURING AND REALLOCATION OF HOUSING AND CONSTRUCTION FUNCTIONS (PARAGRAPHS 2,3&4)

Consideration has been given to recommending the Council to approve a re-organisation of housing and construction functions within the Council's management structure and The Gateshead Housing Company (TGHC), subject to TGHC approval.

Alternative options available to the Council as set out in the report have been considered.

- RESOLVED -
- That the Council, subject to TGHC approval, be recommended to approve the management structure changes effective from the dates indicated as follows:
- (i) Mears employees transferring to the Gateshead Housing Company completed by 1 April 2017.
 - (ii) In relation to Construction related functions:
 - For those transferring to the Gateshead Housing Company completed by 1 April 2017
 - For those (highways commissioning and design) moving to Service Director, Development, Transport and Public Protection - by 1 April 2017
 - For those highways functions moving to Service Director Waste Services, Grounds Maintenance and Fleet Management - by 1 April 2017
 - For those (Building Maintenance and Facilities Management) moving to Service Director, Facilities Management - by 1 April 2017
 - (iii) Council housing asset strategy functions transferring to Council Housing, Design and Technical Services - by 1 April 2017.
 - (iv) Housing growth and strategy functions transferring to Service Director, Development, Transport and Public Protection - by 1 April 2017.
 - (v) The Service Director Waste Services, Grounds Maintenance and Fleet Management being re-designated Service Director, Street Scene.
 - (vi) The Service Director Economic and Housing Growth Service title and name of service changing to reflect the new arrangements.

The above decisions have been made for the following reasons:

- (A) To enable continued improvement in the co-ordination of Council functions, the organisation of its staff, and to enable Council services to be delivered in a more efficient and effective way.
- (B) To facilitate the successful and efficient delivery of the Housing Repairs and Maintenance Contract.

- (C) To strengthen and clarify the commissioning role of the Council.
- (D) To deliver significant budget savings for the Council.

C117 TRADING BEREAVEMENT SERVICES (PARAGRAPH 3)

Consideration has been given to establishing an expanded, commercially traded bereavement service and to incorporate 'Regent Funeral Services' as a wholly owned trading company of the Council to deliver this service.

Alternative options available to the Council as set out in the report have been considered and discounted.

- RESOLVED -
- (i) That the incorporation of Regent Funeral Services Ltd and the company branding proposals be approved.
 - (ii) That the appointment of the Strategic Directors Communities & Environment, Corporate Resources, Corporate Services & Governance and Service Director, Waste Services, Grounds Maintenance and Fleet Management as the initial Directors of Regent Funeral Services be approved.
 - (iii) That the initial company staffing and recruitment proposals as set out in the report be approved.
 - (iv) That the Strategic Director, Corporate Services and Governance be given delegated authority to finalise the Memorandum and Articles of Association of Regent Funeral Services and apply to Companies House to incorporate the new company.
 - (v) That the inclusion of £265,000 in the Council's Capital Programme to finance the required investment in premises and equipment for this new trading venture be approved.
 - (vi) That the Strategic Director, Corporate Resources following consultation with the Strategic Director, Corporate Services and Governance be given delegated authority to manage the overdraft position of the company and charge the company appropriately for this facility.

The above decisions have been made for the following reasons:

- (A) To enable the trading of the new Funeral Director Service.
- (B) To maximise the generation of income to the Council through development of sustainable marketable services

as set out in the Council Plan.

- (C) To increase choice, quality and affordability of the bereavement services that are available to local people.

C118 REVIEW OF TERMS AND CONDITIONS

Item withdrawn

C119 DISPOSAL OF THE FORMER DERWENTSIDE AGED PERSONS UNIT TO THE GATESHEAD TRADING COMPANY (PARAGRAPH 3)

Consideration has been given to the disposal of the former Derwentside APU to the Gateshead Trading Company ('GTC') and the provision of a Loan to GTC in order to facilitate the development of new housing.

Alternative options available to the Council as set out in the report have been considered and discounted.

- RESOLVED -
- (i) That the sale of the subject property to Gateshead Trading Company in the sum set out in the report be approved, subject to the grant of detailed planning permission for the refurbishment of 22 apartments.
 - (ii) That the provision of a Loan facility to Gateshead Trading Company of the amount set out in the report, to facilitate the proposed development be approved.
 - (iii) That the Strategic Director, Corporate Resources be given delegated authority to finalise the terms of a Loan Agreement with Gateshead Trading Company.

The above decisions have been made for the following reasons:

- (A) To dispose of a surplus asset.
- (B) To facilitate the delivery of new housing for sale and affordable housing.
- (C) To generate revenue income to the Council.

C120 SALE OF FORMER PUBLIC WORKS DEPOT, SWALWELL

Consideration has been given to the sale of the Council's freehold interest in the former Swalwell Depot, shown edged black on the plan attached to the report, to AA Construction Ltd.

Alternative options available to the Council as set out in the report have been considered and discounted.

- RESOLVED -
- (i) That the sale of the former Swalwell Depot to AA Construction Ltd for the purchase price set out in the report be approved.
 - (ii) That the Service Director, Legal, Democratic & Property Services be given delegated authority to accept the next highest offer received, in the event that AA Construction Ltd withdraws from the purchase.

The above decisions have been made to dispose of a surplus asset and realise a capital receipt.

Copies of all reports and appendices referred to in these minutes are available online and in the minute file. Please note access restrictions apply for exempt business as defined by the Access to Information Act.

The decisions referred to in these minutes will come into force and be implemented after the expiry of 3 working days after the publication date of the minutes identified below unless the matters are 'called in'.

Publication date: 9 November 2016

Chair.....

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TITLE OF REPORT: **Community Led Local Development – Accountable Body Status and Matched Funding**

REPORT OF: **Paul Dowling – Strategic Director, Communities and Environment**

Purpose of the Report

1. To raise awareness of Community Led Local Development (CLLD) and, in particular, Gateshead's Local Development Strategy that outlines a partnership based approach to address high levels of economic inactivity in deprived communities.
2. To seek Cabinet approval to provide matched funding of £277,345 over five years from the Economic Growth Reserve Fund to support the operation of the CLLD and to help with the administration of a partner led Local Action Group (LAG) established to oversee the initiative.
3. To seek approval for the Council to act as the Accountable Body for the LAG.

Background

4. CLLD targets deprived communities and seeks to help those furthest from the labour market move towards employment or enterprise. The approach helps address barriers such as health issues, childcare / adult care dependency.
5. One of the key differences over other EU programmes is the role of local people and organisations in deciding the priorities that would be supported. In addition to determining the strategic approach, a local management group called a Local Action Group (LAG) of Public, Private and Third Sector partners and residents would make funding decisions over a five year period to deliver local priorities.
6. In April the Council and partners were awarded (Stage 1) EU funding to prepare the strategic framework for the programme called a Local Development Strategy (LDS). This identified local barriers to employment and enterprise faced by unwaged people living in deprived communities and outlined an approach to address these.
7. The unique mix of ERDF and ESF funding enables the programme to support both people and place-based activity e.g. skills training, employability support, social enterprise development, business support and networking and the development of small scale business accommodation that could support the sustainability of asset transfers.
8. The approach offers many advantages to the council, such as supporting the Achieving More Together agenda. It will pilot a new way of working that will utilise the skills and expertise of partners and attract matched funding from applicants own funds, whilst delivering many of the council's economic aspirations. It will also reinforce the role of the council as a place shaping body.

Accountable Body and Match Funding

9. As part of completing Stage 1, the LAG was required to find an organisation with an established financial track record to act as Accountable Body and secure up-front match funding of £277,345 (circa £55,000 per annum) to support project management and administration costs.
10. The LAG approached a number of organisations but none were able to undertake this role or provide the match funding. Given the urgent need to submit the application by 31 August, an Executive Decision under Constitution Schedule 5 – Executive functions delegated to managers, Part 1, 2 (10), was made to use the Economic Growth Reserve for the match and for the Council to act as Accountable Body, subject to Cabinet approval and budget considerations. The programme fulfils a number of objectives of the reserve and investment framework criteria.
11. The LDS clearly outlines the governance process. The Gateshead Community Led Local Development LAG is an unincorporated body responsible for the implementation and delivery of the LDS under the authority of the Accountable Body which if approved would be Gateshead Council. The LAG has responsibility for the leadership, implementation, monitoring and review of the LDS, and is responsible for taking all major decisions affecting its successful delivery, including decisions on the allocation of funding to projects to achieve the LDS objectives. However, as the Accountable Body, the Council would have the responsibility of ensuring that the projects selected for support meet the eligibility and compliance criteria of EU funding and fit within the priorities of the LDS. This approach would not restrict the Council from applying for funding in its own right.

Stage 1 Approval

12. The LAG/Council has now been informed that it has successfully passed Stage 1 and has the opportunity to apply for up to £2m ERDF and ESF funding over five years (Stage 2). When matched with individual applicants own funds, this would attract approximately £4m to support economic growth projects in the borough.
13. The Stage 2 process was not due to begin until in the New Year, however, this has been brought forward and full funding applications are due to be submitted before 31 December 2016.

Community Led Local Development

14. The Strategy, which is included as Appendix 2, outlines the suggested approach and includes a map of the proposed geographic area. CLLD is unique programme in that it the only current programme within the North East Local Enterprise Partnership's (NELEP) European Strategic Investment Programme to align funds to support delivery of enterprise and employment objectives, despite there being a need to apply to both the ERDF and ESF operation programmes for funding. Despite this unique approach there is still a need to deliver ESF and ERDF outcomes and report these to the individual Managing Authorities in the normal way as with any other EU application.
15. ESF funding would support, training, self-employment and employability skills, for up to 1,700 of the borough's most disadvantaged residents, whilst ERDF capital funding would also support the development of small scale business accommodation that could help the sustainability of asset transfers. ERDF revenue

could also support business growth including social enterprise development and networking activities that could support the service transformation agenda.

16. Importantly, unlike mainstream ERDF or ESF projects, there is no requirement for match funding to be secured for the whole programme ahead of a Stage 2 submission. Projects can secure match at any time ahead of applying to the LAG for funding, within a programme that would operate over a five year timeframe. This will allow smaller organisations to access EU funding for the first time.
17. This is an EU funded programme and there are obvious implications arising from the decision to leave the EU. Officers have sought clarification on this issue with the Managing Authorities and currently the guidance is that there is no change in the five year duration of the scheme.
18. The advantages and disadvantages of the programme are outlined below, with the approach directly supporting many of the Council's economic growth objectives and which is integral to meeting the objectives of Gateshead's LDS.

Advantages

- A £277,345 investment would attract approximately £4m of EU and partner funding to support the economic growth in the most deprived areas of the borough.
- 1,700 of the most economically inactive residents would move towards / into work, improving skills levels that will help develop long term sustainable employment.
- Supporting 350 people into work, would reduce benefit payments by £3.5m and increase spend in the local economy by almost £5m, with a further 323 into further education and training.
- Deliver business consultancy support to 175 businesses, resulting in 55 new jobs.
- Supporting 250 people become enterprise ready – trends show that around 30% will start a business within 12 months.
- A better qualified labour force will attract businesses and fill the vacancies created by the Achieving More Together initiative.
- The business base would grow, as would self-employment (below the GB average);
- Social enterprise activity would support the development of new services, a key requirement of the Achieving More Together programme.
- ERDF Capital funding could support the suitability of asset transfers, developing training hubs and or business premises that could generate income – creating the proposal will create 186 square meters of new business accommodation space.
- EU funding for business support is already fully subscribed – this funding would provide this activity in the deprived areas of central Gateshead.

Disadvantages

- The LDS has been drawn up by the LAG which comprises representation of the public, private and third sector. The Council retains an influence but will not control investment awards.
- The Council would need to cash flow the projects ahead of quarterly claims which would be managed within Council's cash balances. This would result in lost investment income of circa £1,000 per annum.
- As the Accountable Body, the Council would be responsible for clawback of ineligible expenditure and therefore this is a risk. There is a need to ensure that it has the appropriate range of skilled people in place to support this process.

Proposal

19. Cabinet is asked to approve the recommendation that the Council acts as the Accountable Body and provide the matched funding via the Economic Growth Reserve Fund of up to £277,345 over five years,

Recommendations

20. Following the analysis of the advantages / disadvantages it is recommended that the Council agrees to be the Accountable Body and provide match funding of up to £277,345 to support administration costs via the Economic Growth Reserve Fund.

For the following reasons:

- (i) The programme will attract significant funds to support economic growth in the borough over the next five years;
- (ii) The funding will help residents overcome barriers to employment/enterprise;
- (iii) It will pilot a new way of working, supporting a greater involvement of the wider community, including public, private and Third Sector partners;
- (iv) It will support Council objectives in relation to exploring new approaches to service delivery, such as through social enterprise activity; and
- (v) There is no other organisation able to fulfil this role on behalf of the LAG.

Policy Context

1. CLLD meets many of the objectives of both the Council Plan and Vision 2030 as it seeks to provide help to people living in disadvantaged areas to overcome employment related barriers to move toward and into work, training, self-employment or business growth including social enterprise. It will help overcome health inequalities, promote wellbeing, social justice and enhance social mobility.
2. As part of the European Structural Investment Fund programme of the NELEP it will help deliver the key objectives of its Strategic Economic Plan increasing participation in the labour market and the number of people in work.
3. At its core CLLD seeks to work with local people and organisations to promote local solutions to address economic disadvantage and involve local people in making decisions on the needs of the local community. Being in work is recognised and contributing to better health. By moving people towards and into work, this programme will help address issues such as high levels of ill health, including mental health, addressing key priorities around improving life chances and wellbeing through being in work.

Background

4. Careful consideration must be given in terms of agreeing to be the Accountable Body. In addition to needing to provide the matched funding for the management and administration costs, the Council, as Accountable Body, would need to ensure that projects comply with eligibility guidance and may need to cash flow projects ahead of the claiming the resource back from the EU programme. In addition the Council will be liable for any clawback of funds due to illegible activity. However, the Council has extensive experience of EU programmes. The funding will enable a detailed assessment and verification process to be put in place to minimise any risk from clawback. The project would create three new posts that would support this activity.
5. The approach offers many advantages, such as supporting the Achieving More Together agenda. For example, it will support training that will help residents access jobs created in third sector organisations that will help deliver services. It will also support the development of new social enterprises that can provide services that residents needs and which create local employment opportunities. The programme will pilot a new way of working that will utilise the skills and expertise of partners and attract matched funding from applicants own funds, whilst delivering many of the council's economic aspirations. It will also reinforce the role of the council as a place shaping body. This does not detract from the council being able to apply for projects, however the final decision on projects that are supported is at the LAG's behest and therefore not guaranteed.

Consultation

6. The Leader and Economy Portfolio members have been consulted.

Alternative Options

7. A decision not to proceed would mean that the opportunity to bid for up to £2m of EU funding to support economic growth projects in deprived communities would be lost (as would the opportunity to attract a similar amount of partner funding as match). A decision to proceed is therefore recommended.

Implications of Recommended Options

8. **Financial Implications** – The Strategic Director, Corporate Resources confirms that the programme meets the investment framework criteria of the Economic Growth Reserve and that there is sufficient resource within that reserve to support the cost of administration of the programme of up to £277,345 over five years (circa £55,000 per annum). The provision of a cashflow facility for projects will be managed within Council resources and is estimated to cost circa £1,000 per annum in lost investment income.
9. **Risk Management Implications** – EU funding does not come without risk, there is a need to ensure that projects comply with EU funding guidance. However the council has extensive experience of EU programmes; the matched funding for the administration process will allow a detailed assessment and verification process to be put into place to minimise risk.
10. **Human Resources Implications** – Acting as the lead body would create three additional posts to support the process. The Council's recruitment policy will be followed and opportunities for redeployment explored. All posts will be evaluated to ensure that they fit into the Council's grading structure.
11. **Equality and Diversity Implications** – This initiative seeks to promote additional opportunities for those furthest from the labour market to become economically active. It will therefore promote opportunities for a wide range of residents such as carers, lone parents, people with disabilities, women and those from marginalised groups to overcome such barriers.
12. **Crime and Disorder Implications** – The approach will also help those who are face barriers due to their involvement in the criminal justice system to seek support.
13. **Health Implications** – One of the largest groups of residents identified who could be supported through this programme is people with health issues, particularly mental health. Being in work is known to positively contribute to health and wellbeing.
14. **Sustainability Implications** – This approach will help promote sustainable communities by actively encouraging local people and organisations to be involved in the decisions that impact on their community and have an involvement in building a better future.
15. **Human Rights Implications** – N/A.
16. **Area and Ward Implications** – This project would have a direct impact on the 12 wards highlighted in Appendix 2. It should be noted that the inclusion of Low Fell is to help develop greater links between areas of high and low deprivation and encourage economic activity.

17. **Background Information**

The North East Strategic Economic Plan – NELEP

European Strategic Investment fund – NELEP

The Council Plan – Gateshead Council

Vision 2030 – Gateshead Strategic Partnership/ Gateshead Council

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Community Led Local Development



European Union
European Structural
and Investment Funds

ESF: OIC25R15L0224

ERDF: 25R15L00329



GATESHEAD GOES LOCAL

Our People
Our Communities
Our Future



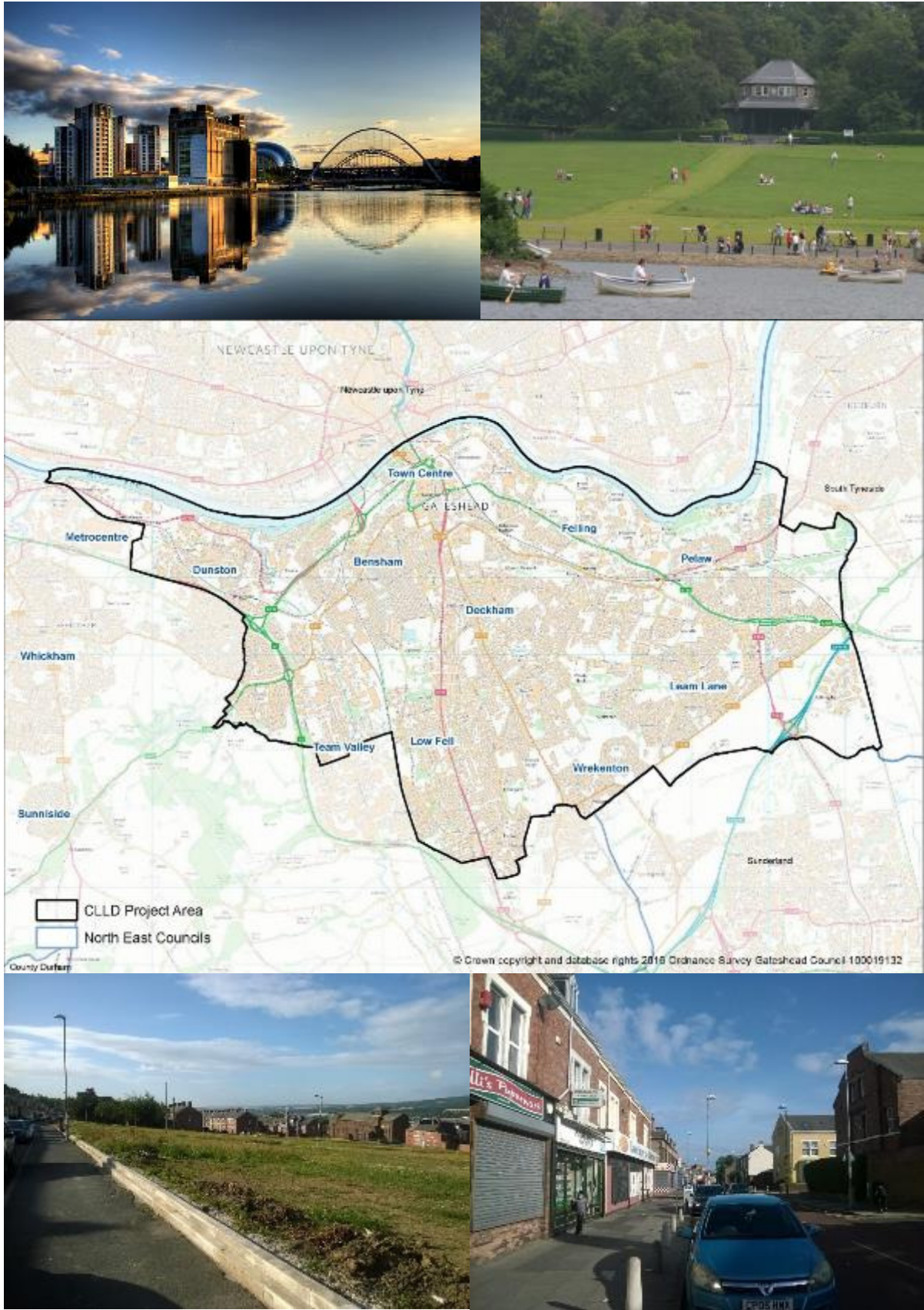
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1. The Area

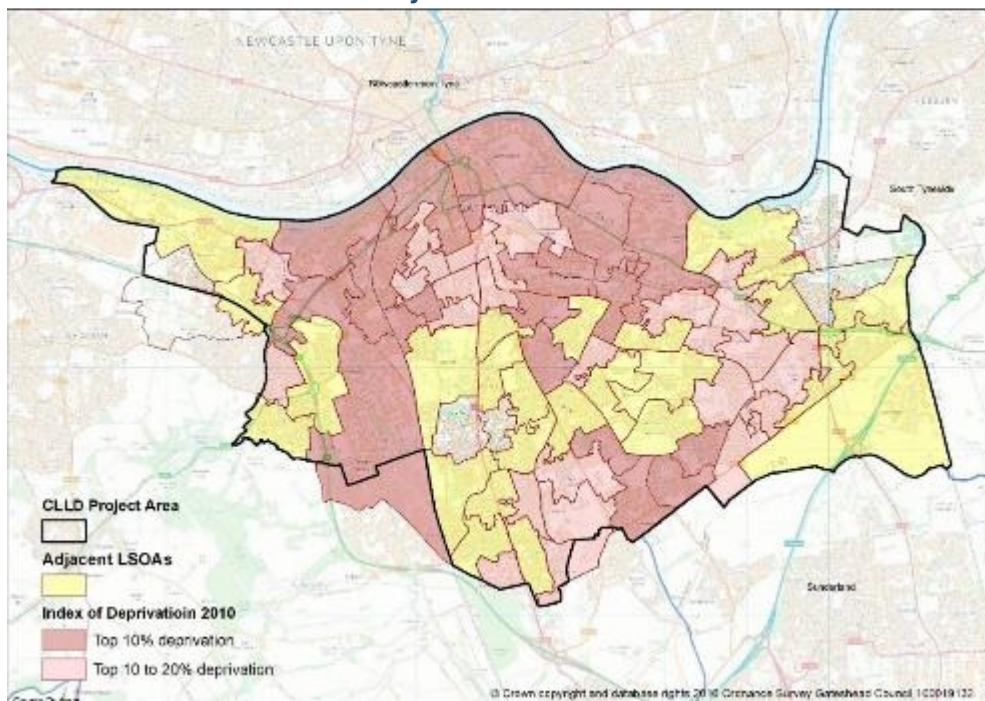


The **Gateshead Goes Local** Local Development Strategy (LDS) focuses on the urban core of Gateshead. Located on the south bank of the River Tyne and sitting directly opposite Newcastle to the North, South Tyneside to the East, the City of Sunderland to the South East and rural Gateshead to the South and West, the area is home to around 114,500 people. Covering an area of approximately 3,387 hectares it enjoys good road linkages with direct access to the A1 North and South, and key A roads cross through the area in an east-west direction. The Metro light railway provides communities with direct links to Newcastle and Sunderland.

The area contains or is in close proximity to a range of key employment sites, some of which are of regional significance, such as the Town Centre, Gateshead Quays, Follingsby Park, Metro Centre and the Team Valley Trading Estate as well as others in neighbouring local authorities such as Newcastle City Centre, Nissan in Sunderland and Drum Industrial Estate in North Durham. These linkages form an integral part of the areas coherence as a functional economic area. The CLLD area also includes a number of Gateshead's key recent regeneration initiatives including BALTIC: The Centre for Contemporary Art and the Trinity Square development in the town centre.

Despite the link to these key employment sites, the area still contains communities that face significant levels of deprivation with around 61% of residents or 59% of the CLLD area population living in lower layer super output areas (LSOAs) within the 20% most deprived areas in England. **Figure 1.1** below shows in pink the 20% most deprived LSOAs within the CLLD area, with those LSOAs adjacent to these highlighted in yellow, while those not highlighted are neither. Further detail on these LSOAs is provided in **Figure 1.2**, below.

Figure 1.1 – Gateshead CLLD Area by LSOA



The CLLD area provides comprehensive coverage of eastern and central Gateshead and is focused on areas that experience high levels of disadvantaged while directly linking them to areas of opportunity through the selection of adjacent areas and their neighbours, such as:

- LSOAs covering Low Fell which sits at the heart of the area and helps create a co-terminus economic geography with ties to the Team Valley Trading Estate. While not directly adjacent to the 20% most deprived LSOAs these add considerable value to the area through the significant levels of economic activity among residents, employment opportunities in local businesses and the skilled and active citizenry within the area;
- The adjacent LSOA in the South East of the area includes Follingsby Park, currently home to a significant number of businesses. This is due to be extended through Follingsby South with 22 hectares of developable employment land with a focus on distribution and logistics¹ and part of the North East Local Enterprise Partnership's (NELEP) second Enterprise Zone²;
- The LSOA covering Bill Quay in the North East, which includes a number of industrial employment sites and important community assets; and
- The area is also within close proximity to central Newcastle which offers extensive employment opportunities at many levels, although research suggests the river may present a barrier among some residents of CLLD area communities.

The area also includes a number of proposed development and regeneration sites where CLLD could add value by directly benefiting the local community and especially those furthest from the labour market. Focusing around central Gateshead the CLLD area therefore provides a coherent social, economic, and geographic community.

While the LDS focuses on the addressing the needs and weaknesses within Gateshead's most deprived communities, the area also brings considerable strengths and opportunities through a co-terminus delivery area which has direct links to:

- Key employment sites;
- Areas of economic opportunity;
- People and organisations with knowledge, skills and experience that can make a valuable contribution to community led approaches; and
- Strong transport infrastructure.

In addition strengthening social and economic linkages between areas of greatest need and their more advantaged neighbours will directly help to create more sustainable communities across Gateshead and develop the collective strength and impact of the area and its varied communities.

A detailed profile of the area is provided in Section 3 of this LDS while **Annex D** provides a summary overview of the LSOAs within the Gateshead CLLD area.

¹ Gateshead Council & Newcastle City Council (2015) Planning for the Future: Core Strategy and Urban Core Plan for Gateshead and Newcastle upon Tyne 2010-2030.

² <http://nelep.co.uk/north-east-lep-reveals-ten-locations-for-regions-second-enterprise-zone/>
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2. Needs and Potential

2.1 Population Profile

Key features of the CLLD area population compared to the entire Gateshead and the North East Local Enterprise Partnership (NELEP) population, include:

- An **ageing population** with a **marginally younger average age** (39.2 years) than Gateshead (40.5 years), NELEP (40.6 years) and England (39.3 years);
- **More ethnically diverse** population with 8% of the population from ethnic groups other than white English/Welsh/Scottish/Northern Irish/British or Irish, compared with 6% across Gateshead and the NELEP area;
- A **significant Jewish population** of between 4,000-5,000 people with local evidence suggesting this has increased in recent years;
- Poorer health with 9% of residents reporting bad or very bad health compared to 8% for Gateshead and NELEP and 5% for England;
- Higher proportion of people with **health conditions** that affect their activities with 23% of the population (c.25,900 people) having a long-term health condition or disability that limits their day to day activities a little or a lot. This compares to 22% across Gateshead and NELEP and 18% across England. Around 18% (c.13,300) of 16-64 year olds in the area have a limiting condition or disability;
- **Lower qualification levels** with 30% of the area's population having no qualifications compared to 28% in Gateshead, 26% across NELEP and 22% for England; and
- Higher proportion of **lone parent households** (13% of all households) than Gateshead (12%) as a whole, the NELEP area (11%) and England (11%)³.

Poor health is a particularly acute issue within the CLLD area, with 55 out of 71 LSOAs (77%) ranked in the 20% most deprived in the country for health deprivation and disability. Measures used within this indicator include premature death, disability and illness ratio, measures of acute morbidity and sufferers of mood or anxiety conditions.

2.2 Economic Participation

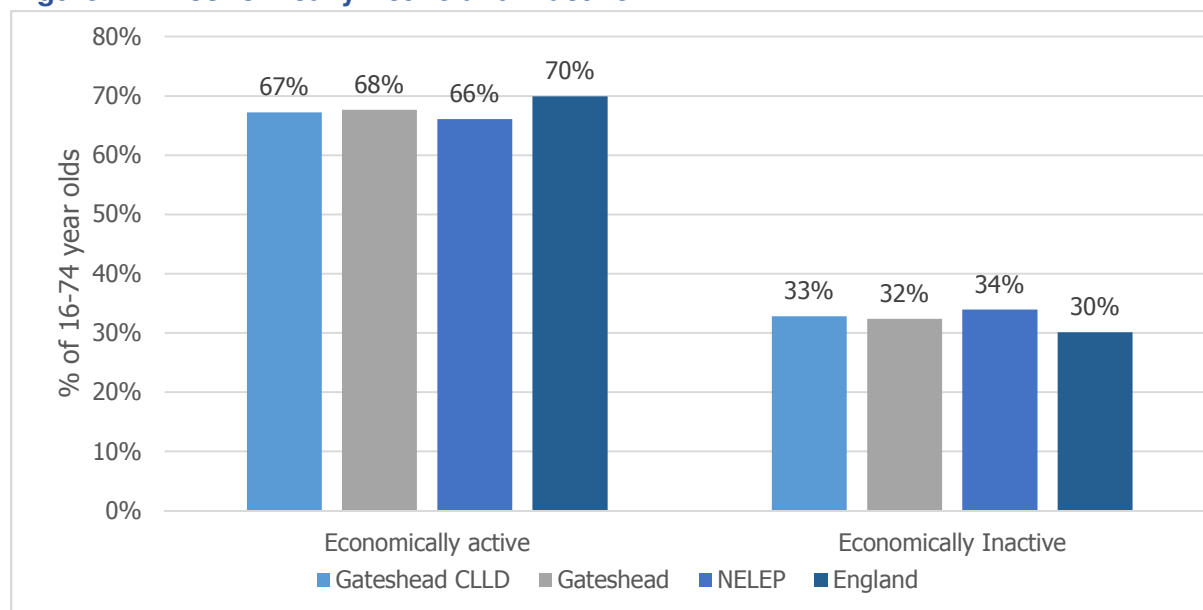
2.2.1 Economically Active

Figure 2.1 shows that rates for the economically active and inactive among the 16-74 year old population are similar across the CLLD area, Gateshead and the NELEP area. However, **inactivity rates in the CLLD area are 3% higher than those found nationally**. Recent estimates for Gateshead as a whole suggest that at 78.2%, a larger proportion of the 16-64 year olds population are economically active people than the GB average of 77.8%⁴.

³ ONS, Census 2011.

⁴ Nomis – Labour Market Profile – Labour Supply Data – April 15-Mar16 0 ONS % aged 16-64
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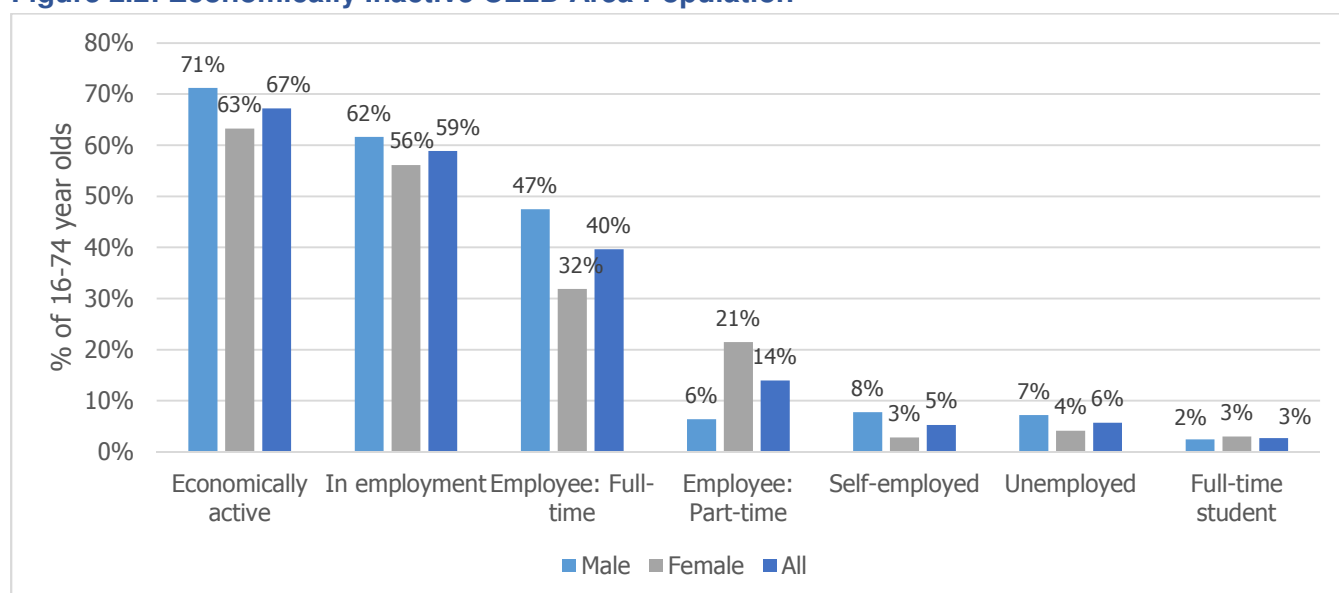
Figure 2.1: Economically Active and Inactive⁵



A more detailed analysis of the economically active population shows that employment levels in the CLLD area (59% of 16-74 year olds) are broadly similar to the Gateshead average (60%) and the NELEP average (58%), with all three areas below the England average (62%). This difference is largely a result of the lower levels of self-employment in the CLLD area (5%), Gateshead (6%) and NELEP (7%) when compared with England (10%).

Figure 2.2 below, shows low levels of self-employment is a particular issue for women in the CLLD area with only 3% self-employed compared with 8% of males.

Figure 2.2: Economically Inactive CLLD Area Population⁶



⁵ ONS, Census 2011.

⁶ ONS, Census 2011

Figure 2.2 also shows:

- Higher levels of economically active, employed, full-time employees and unemployed among males in the CLLD area;
- Higher levels of part-time employment among females in the area.

2.2.2 Employment

Key employment related figures for the CLLD area, include:

- c.50,000 residents in work;
- c.58,000 jobs in the area⁷;
- c.34,000 residents in full-time work;
- c.12,000 residents in part-time work; and
- c.4,000 self-employed residents⁸.

Industries linked to the public sector⁹ are important local employers with 31% of working residents employed in these sectors. These industries are particularly important employers of female residents with 44% of working females employed in them compared with 19% of working males. **Figure 2.3** provides an overview and gender breakdown of employment by industry, ranking them in terms of size of employment of CLLD Residents (with 1 being the largest employer of local residents).

Figure 2.3: Employment by Industry¹⁰

Overall Ranking	Industries	% of working residents		
		Male	Female	All
1	Wholesale and retail trade; motor vehicles and motor cycles	15%	17%	16%
2	Human health and social work activities	6%	23%	14%
3	Manufacturing	16%	4%	10%
4	Education	6%	12%	9%
5	Financial, ICT and business services	8%	7%	8%
6	Public administration and defence; compulsory social security	7%	8%	8%
7	Construction	13%	2%	8%
8	Accommodation and food service activities	5%	7%	6%
9	Transport and storage	8%	2%	5%
10	Administrative and support service activities	5%	5%	5%
11	Professional, scientific and technical activities	5%	4%	5%
12	Other	4%	5%	5%
13	Mining, energy and waste	2%	1%	2%
14	Agriculture, forestry and fishing	0%	0%	0%
Total		100%	100%	100%

⁷ This is based on the workplace population. The workplace population includes those aged 16 to 74 whose usual place of work is in the area. This population is equivalent to the workplace population used in the 2001 Census. People who work mainly at or from home or do not have a fixed place of work are included in their area of their usual residence. The following population groups are excluded from the workplace population of an area: those living in England and Wales but working in Scotland, Northern Ireland, outside the UK or on offshore installations, those with a place of work in England and Wales but who are not usually resident in England and Wales, and short-term residents.

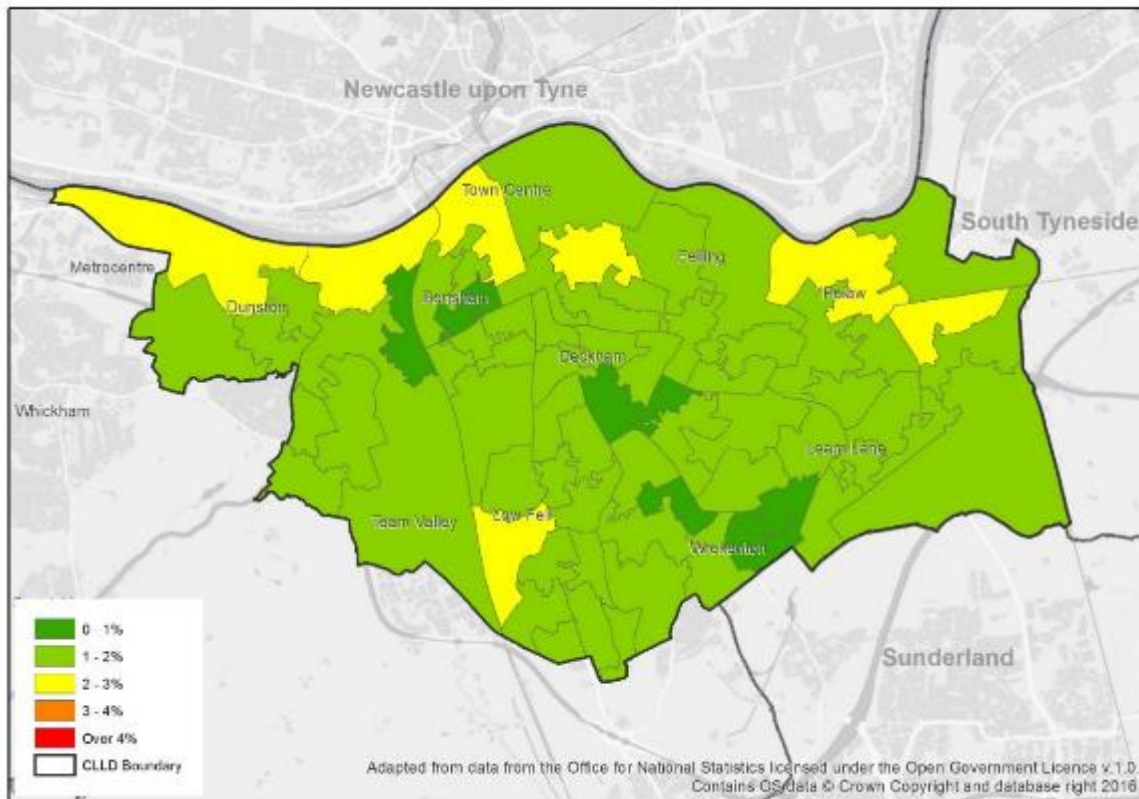
⁸ ONS, Census 2011.

⁹ This includes Public administration and defence; compulsory social security; Education and Human health and social work activities.

¹⁰ ONS, Census 2011.

Figure 2.4, below shows the distribution of employed CLLD residents by LSOA within the CLLD area, with those areas highlighted in yellow accounting for larger proportions of total resident employment. This shows a concentration of employed residents in Low Fell, to the west of the Town Centre along the river and to the East around Pelaw.

Figure 2.4: Resident based Employment by LSOAs¹¹



It is also important to consider the industrial breakdown of jobs based in the CLLD area, particularly given the presence of cultural barriers to travel among some residents in the area. **Figure 2.5** shows the distribution of employment based in the area (workplace based) alongside employment of residents living in the area. This illustrates that the following are key industries for both the presence of jobs and resident employment in the CLLD area:

- Public sector related industries, including public administration and defence, compulsory social security, education and human health and social work activities;
- Wholesale and retail trades; and
- Manufacturing.

¹¹ ONS, Census 2011.
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Figure 2.5: Workplace and Resident Based Employment by Industry¹²

	% of employment	
	Workplace based	Resident based
Agriculture, forestry and fishing	0.1%	0.1%
Mining, energy and waste	0.9%	1.6%
Manufacturing	11.4%	10.4%
Construction	8.1%	7.6%
Wholesale and retail trade; motor vehicles and motor cycles	14.0%	16.3%
Transport and storage	7.1%	5.2%
Accommodation and food service activities	4.0%	6.0%
Financial, ICT and business services	7.0%	7.7%
Professional, scientific and technical activities	4.3%	4.6%
Administrative and support service activities	5.9%	5.1%
Public administration and defence; compulsory social security	8.7%	7.7%
Education	8.3%	8.8%
Human health and social work activities	15.9%	14.3%
Other	4.4%	4.5%
Total	100.0%	100.0%

In terms of occupation three occupations accounting for the largest proportion of resident employment are:

- Professional occupations (15% of CLLD residents in employment);
- Administrative and secretarial occupations (13%);
- Elementary occupations (11%).

Figure 2.6 compares resident based employment (the jobs that people who live in the area do) and workplace based employment (the jobs that people who work in the area do) for the CLLD area.

This shows that levels of employment in many lower level occupations (such as caring, leisure and other services occupations, sales and customer service and elementary occupations) are higher among residents of the CLLD while employment in many higher level occupations (such as managers, professional occupations and associate professional occupations) is higher among those working in the area.

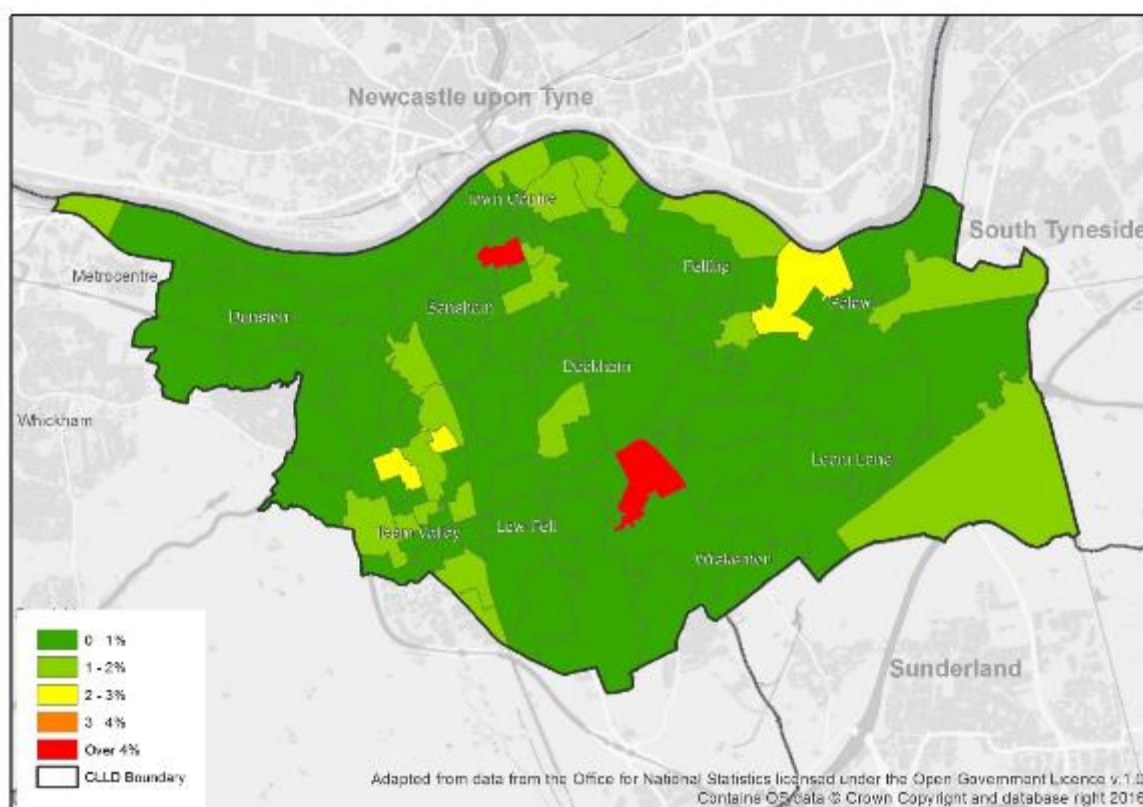
¹² ONS, Census 2011.
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Figure 2.6: Workplace and Resident Based Employment by Occupation¹³

Occupation	% of employment	
	Workplace based	Resident based
1 Managers, directors and senior officials	9.0%	7.6%
2 Professional occupations	16.2%	15.1%
3 Associate professional and technical occupations	11.6%	10.8%
4 Administrative and secretarial occupations	13.3%	12.9%
5 Skilled trades occupations	11.0%	11.3%
6 Caring, leisure and other service occupations	8.7%	9.4%
7 Sales and customer service occupations	7.8%	11.1%
8 Process, plant and machine operatives	9.5%	8.5%
9 Elementary occupations	12.8%	13.3%
Total	100%	100%

Figure 2.7, below shows the distribution of workplace based employment across the CLLD area by LSOA with the areas highlighted in red accounting for the highest proportions. This shows particular concentrations of employment around the Town Centre and further south in and around the Queen Elizabeth hospital.⁷

Figure 2.7: Workplace Based Employment by LSOA¹⁴



Consultation with local organisations revealed that poverty among those in work is an issue within the CLLD area. Evidence from the Annual Survey of Hours and Earning (ASHE)

¹³ ONS, Census 2011.

¹⁴ ONS, Census 2011.

shows that at around £355 per week median basic weekly pay is lower than the Gateshead average of £372, the regional average of £373 and the England average of £405¹⁵. This creates a disproportionate impact on low income households which also have unemployed and/or inactive members.

2.2.3 Unemployment and Economic Inactivity

Unemployment rates in the CLLD area (6% of 16-74 year olds) are higher than Gateshead (5%), NELEP (5%) and national (4%) averages¹⁶, with slightly more than one in twenty working age residents or around 4,800 people in the CLLD area unemployed. Around 63% or around 3,000 of these are male.

Long term unemployment is a key issue within the local population with around 1,900 residents being unemployed for 2 years or more while a further 900 have never worked. This illustrates the fact that unemployment is a key challenge for certain groups within the area. Unemployment is particularly high among younger people with around 28% of unemployed residents aged under 24, while 15% are aged 50 and over¹⁷.

Unemployment is not the only measure for analysing those of working age that are out of work. The economically inactive¹⁸ are people who are not in employment and who have not been seeking work and/or are unable to start work. This includes those who cannot or do not work due to factors such as:

- Caring responsibilities;
- Long-term illnesses or disabilities;
- Retirement.

An analysis of economic inactivity therefore gives a truer reflection of the number of people out of work within the CLLD area. Overall there are approximately 27,900 economically inactive people in the CLLD area, of which around 16,400 are retired or are non-working students. **Excluding these latter groups leaves around 11,500 people who are out of work and could be potential beneficiaries of support to move them towards or into employment, with 5,800 of these long term sick or disabled**¹⁹. A summary overview of the out of work population is provided in **Figure 2.8**.

Levels of long-term sick or disabled residents is particularly important as the pressures of welfare reform will mean that those that are or have been economically inactive are moved towards looking for work due to income pressures and changes in the type of benefits received. In addition it is these groups that are often furthest from the labour market and require the greatest support to move them towards it and as result are often failed by mainstream and other provision and as such should be one of the priorities for CLLD. Clearly not all of these people will be capable of support but this figure illustrates the scale of people who are not engaged in the labour market within the CLLD area.

¹⁵ ONS, ASHE 2015.

¹⁶ Based on the ILO definition of unemployment used in the Census which is anybody who is not in employment by the above definition, has actively sought work in the last 4 weeks and is available to start work in the next 2 weeks, or has found a job and is waiting to start in the next 2 weeks, is considered to be unemployed.

¹⁷ ONS, Census 2011.

¹⁸ These are people that are not in employment who have not been seeking work within the last 4 weeks and/or unable to start work within the next 2 weeks. Reasons for this can include caring responsibilities, disability or long-term illness, retirement and other reasons.

¹⁹ ONS, Census 2011.

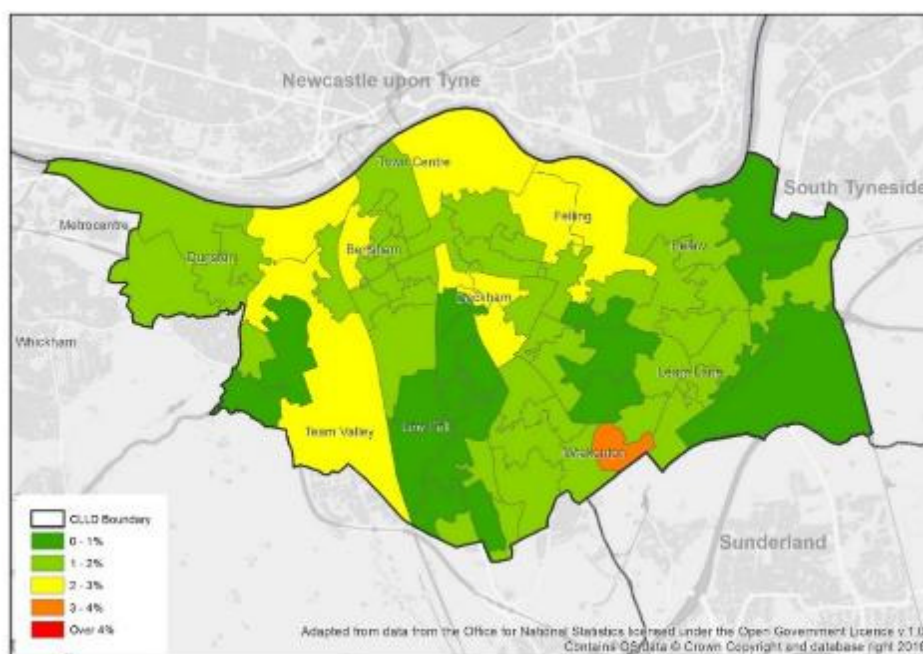
Figure 2.8: Economic Inactivity and Unemployment Estimates²⁰

	Estimate
Unemployed	4,800
<i>Long term unemployed (two years or more)</i>	1,900
<i>Unemployed and never worked</i>	900
Economically inactive (minus retirees and students)	11,500
<i>Inactive: long term sick or disabled</i>	5,800
<i>Inactive: Looking after home or family</i>	3,600
<i>Inactive: Other</i>	2,100
Total unemployed and inactive (minus retirees and students)	19,100

Census 2011 data also suggests the potential for target based approaches to supporting those out of work with around 18% of families with dependent children in the CLLD having no working parent in the household, a factor which plays a key role in intergenerational unemployment. This compares to a national average of 12%.

Figure 2.9 below shows the distribution of workless residents in the CLLD area by LSOA, highlighting particular concentrations towards the west of the area running from Teams down to Team Valley, pockets around Bensham, Deckham and Wrekenton and a further area stretching from Town Centre to Felling.

Figure 2.9: Distribution of Worklessness²¹ in the CLLD Area by LSOA²²



The claimant count provides another method for profiling unemployment within an area, showing how many people are receiving benefits principally for being unemployed (those

²⁰ ONS, Census 2011

²¹ Unemployed and economically inactive (minus retirees and students).

²² ONS, Census 2011.

claiming Job Seeker’s Allowance and those claiming Universal Credit because of being unemployed). Data from the DWP shows a claimant count of 2,280 people in the CLLD area in June 2016, with **Figure 2.10** below illustrating the distribution of these by age band.

Figure 2.10: Claimant Count²³

Age band	Claimant Count
18-24	440
25-34	630
35-49	660
50+	550
Total	2,280

Analysis of existing and emerging provision and local consultation has identified people with physical and mental health problems and disabilities as key target groups for Gateshead CLLD. This is further highlighted by the fact that the area has high levels of health based deprivation. Recent and ongoing reforms to the welfare system mean that this group will increasingly be moved towards seeking and/or entering work, where possible. This further increases their demand for targeted support.

In particular the work related activity group among Employment and Support Allowance (ESA) claimants²⁴ is a group that has been identified as requiring additional support. Across Gateshead 2,150 people are in the work related activity group with a further 1,700 still to be assessed. Mental health problems are a key challenge among this group with 1,050 people or 49% of the work related activity group receiving ESA because of a mental health condition or behavioural disorder, and are more prevalent among 25 to 44 year olds.

In summary, key issues illustrated by analysis of the CLLD population and their economic participation, include:

- High proportion of people with poor health and mental health issues;
- High proportion of economically inactive people distant from the labour market;
- Mismatch between the skills of residents and the employment base;
- Danger that the future labour market will not meet the needs of the business community going forward, as outlined in the North East’s Strategic Economic Plan, More and Better Jobs²⁵.

2.3 Local Business Base

As highlighted in Section 1 of this LDS, the Gateshead CLLD area includes and is in close proximity to a number of key employment sites of regional significance. As well as the key employment sites highlighted earlier the area includes key public sector employment sites like the Queen Elizabeth Hospital, Gateshead Civic Centre and Gateshead College.

²³ DWP, Claimant Count, 2016.

²⁴ Those within this group have been identified as having a disability or health condition that limits their ability to work, but that things can be done to improve their chances of working in the future.

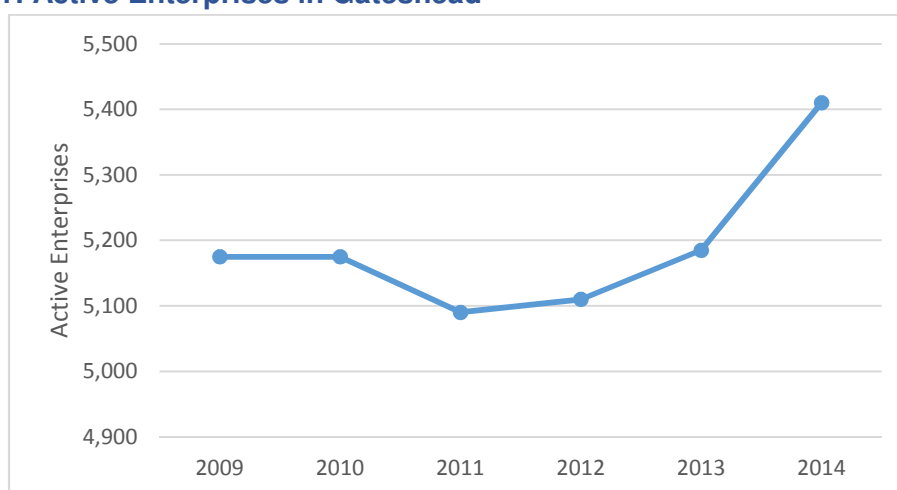
²⁵ <http://nelep.co.uk/whatwedo/strategic-economic-plan/>

Estimates from the Inter-Departmental Business Register 2015 suggest that there are approximately **2,755 enterprises**²⁶ and around **3,695 workplaces** or local units²⁷ in the Gateshead CLLD area²⁸. Key features of the local enterprise and workplace bases includes:

- Micro (0 to 9 employees) and small businesses (10 to 49 employees) dominant, particularly in terms of enterprises;
- Higher levels of medium (50 to 249 employees) and large (250+ employees) than regional and national averages;
- Retail & wholesale; professional, scientific & technical industries; and construction the top 3 industries in terms of the number of enterprises and local units;
- VCSE organisations²⁹ accounting for a larger proportion of enterprises and workplaces than regional and national averages;
- Sole proprietors accounting for a lower proportion of enterprises and local units than regional averages³⁰, further demonstrating the enterprise gap shown earlier through the lower levels of self-employment among the CLLD population and among females in particular.

The local business base has seen steady growth between 2012 and 2014 following a period of stagnation between 2009 and 2012, as shown in **Figure 2.11**, below.

Figure 2.11: Active Enterprises in Gateshead³¹



Business survival rates across Gateshead broadly reflect those for the North East and England as whole, with the largest difference when compared with national averages being the improved 2 year survival rate which is 76% across Gateshead and 74% nationally.

²⁶ An enterprise can be thought of as an overall business, made up of all the individual sites or workplaces of a particular business in that area. It is comprised of is the smallest combination of legal units which has a certain degree of autonomy within an Enterprise Group.

²⁷ Local units are an individual site, such as a factory or shop, associated with an enterprise. Therefore it can also be described as a workplace.

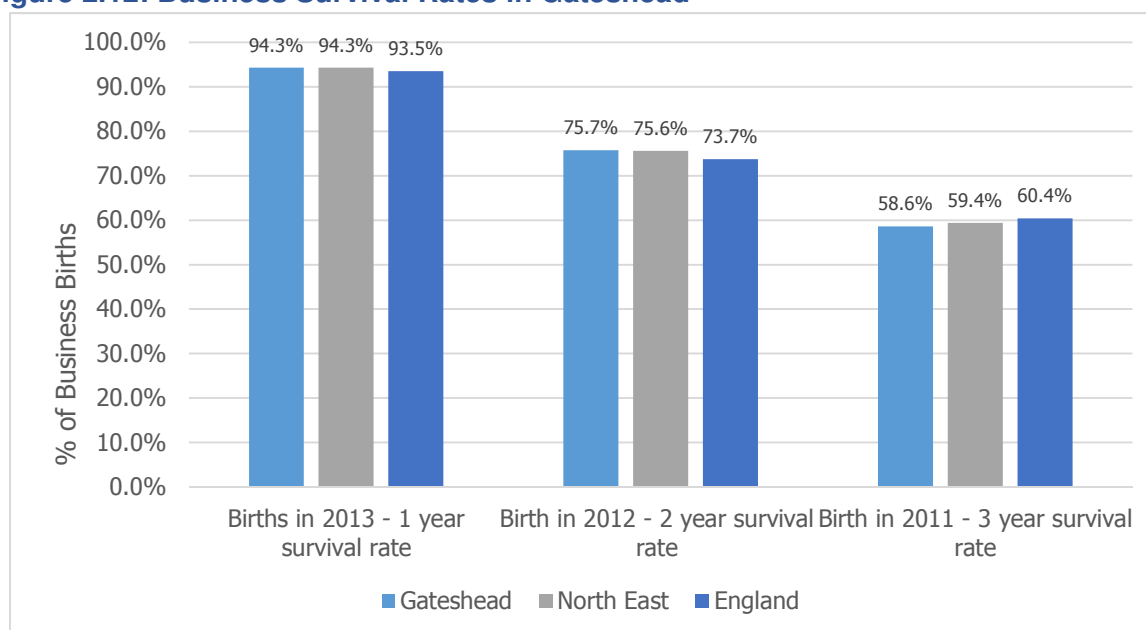
²⁸ It should be noted that these figures will represent an overestimate as they are based on mid-layer Super Output Areas in which the CLLD area accounts for all or a majority of residents rather than LSOAs which the CLLD area is based on. MSOAs are the lowest geography at which this data is available and as such it provides the most accurate measure for the business base within the CLLD area.

²⁹ This is based on the classification of “non-profit bodies and mutual associations” within the Inter Departmental Business Register (IDBR).

³⁰ ONS, IDBR 2015.

³¹ ONS, Business Demography 2014.

Figure 2.12: Business Survival Rates in Gateshead³²



Issues from analysis of the local business base, include:

- **Relatively low levels of enterprise with self-employment rates lower than the national and regional average, particularly amongst women;** and
- Potential lack of productivity or business locating or relocating to the area due to a lack of suitably qualified or available workforce.

2.4 Local Services and Infrastructure

Much of the CLLD area has good access to public transport and good road linkages, with the Metro light rail link running through the Town Centre to serve the North East of the area and provide direct links North to Newcastle and beyond and South to Sunderland. The area also has good bus and road links with a number of key A-roads running from North to South and East to West, as well as direct access to the A1. These linkages mean that the area and its residents enjoy good access to the key employment sites within and close to the area. For example, by using public transport and/or walking:

- 99% of CLLD area residents are within 15 minutes of employment centres with 100 to 499 jobs;
- 100% are within 30 minutes of employment centres with 500 to 4,999 jobs;
- 91% are within 30 minutes and 100% within 45 minutes of employment centres with at least 5,000 jobs³³.

³² ONS, Business Demography 2014.

³³ Department for Transport (DfT), Journey Time Statistics 2014.
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Figure 2.13: Accessibility of Employment Centres by Public Transport/Walk³⁴

Indicator	% of population
Residents within 15 minutes of employment centres with 100 to 499 jobs	99%
Residents within 15 minutes of employment centres with 500 to 4999 jobs	75%
Residents within 15 minutes of employment centres with at least 5000 jobs available	23%
Residents within 30 minutes of employment centres with 100 to 499 jobs	100%
Residents within 30 minutes of employment centres with 500 to 4999 jobs	100%
Residents within 30 minutes of employment centres with at least 5000 jobs	91%
Residents within 45 minutes of employment centres with 100 to 499 jobs	100%
Residents within 45 minutes of employment centres with 500 to 4999 jobs	100%
Residents within 45 minutes of employment centres with at least 5000 jobs	100%

However, consultation revealed a perception that there are insufficient local employment opportunities and that access to opportunities is a barrier. The evidence suggests that this is largely a perception, although the presence of the perception alone can be deemed a barrier that CLLD should seek to address.

The evidence shows that residents also enjoy relatively good access to key services with 39% living within 15 minutes of a town centre by public transport/walking and 97% living within 30 minutes. However, analysis of key trends and community consultation revealed an increasing demand against a backdrop of limited supply for services in a number of key areas. In particular the areas of childcare and adult care were identified as key areas in which increasing demands will be placed on local supply. As a consequence such areas may present opportunities for social enterprise development and growth areas for the creation of employment and training opportunities within the CLLD area.

The area has a relatively strong and vibrant VCSE sector, with good examples of organisations of all sizes doing valuable work to support the vulnerable and those most in need across the CLLD area. This includes organisations delivering larger scale contracts, to social enterprises developing innovative services, and community assets and organisations effectively supporting those hardest to reach towards and into employment or education with few resources. However, many local organisations have limited capacity and resources. As a consequence many organisations across the CLLD area that are capable of doing excellent work, require support to scale up their services and enhance their overall financial viability. Such support would therefore enable them to deliver the services most needed by the community, many of whom cannot pay for these services.

While businesses and potential entrepreneurs across Gateshead have access to a number of potential mainstream or European Structural and Investment Fund (ESIF) funded services, their remain gaps in provision. In particular analysis of the support infrastructure

³⁴ Department for Transport (DfT), Journey Time Statistics 2014.
Gateshead Goes Local

and community consultation revealed a lack of lower level enterprise awareness raising and support for those that are some distance from being enterprise ready; a lack of specific support to build social enterprise capacity, including specific locally tailored support around asset transfer and service transformation agendas; a lack of low level investment and business finance particularly to enable start-up or business growth among those with low levels of access to finance.

Key issues highlighted here include:

- Good transport links are available to key employment centres, however a lack of confidence, skills and available services such as childcare restrict the ability of all residents to access the employment opportunities available;
- A vibrant VCSE sector operating with limited capacity and resources; and
- Specific gaps in business and enterprise support and development provision.

2.5 SWOT Analysis



NELEP

A summary SWOT analysis for Gateshead CLLD is provided in **Figure 2.13**, below. The SWOT has been developed through analysis of the quantitative and qualitative data highlighted above with the community playing a central role in shaping, refining and finalising the analysis through the following processes:

- A questionnaire completed by 107 people representing key sectors, agencies, communities and groups, focussing on identifying key issues, priorities for action and opportunities;
- Interviews with key stakeholders from across the public, private and VCSE sectors with a specific with a focus on obtaining detail to inform and refine the SWOT;
- An initial drop-in discussion session held at a local community venue specifically focussed on the SWOT analysis;
- Meetings of the Shadow LAG, LAG and Gateshead Council project Board and feedback from these groups and the wider community on the draft SWOT and LDS.

2.13: SWOT Analysis

STRENGTHS

People

- Employment rates marginally higher than the NELEP average
- Availability of local labour to meet business need
- Improving skills levels, but still a proportion of NEET who need support to work
- Active VCSE sector with strong partnership working ethos
- History of collaborative working across the CLLD area
- Strong local services providers, in terms of employment and skills in particular

Place

- Presence of and proximity to key employment centres, including Gateshead Town Centre, Quays & Baltic, Follingsby, Team Valley, Metro Centre and Newcastle City Centre
- Presence of key cultural assets
- Local service centres acting as social and economic hubs
- Active VCSE sector with range of community facilities and local community focused service provision
- Excellent transport infrastructure and public transport
- Significant recent and future investment and regeneration activity
- Close collaboration with the HE/FE sectors

Economy

- Significant number of large and small scale employers
- Strong local employment in health & social care, wholesale and retail, manufacturing and transport and storage industries
- Strong local business networks
- Opportunity for service transformation to support business growth
- Emerging Social Enterprise sector with growth potential

WEAKNESSES

People

- Levels of economic inactivity higher than the England average, with gap largest for the proportion of working age adults inactive due to long term sickness or disability
- High levels of economic inactivity among certain marginalised communities
- High proportion of the population with no qualifications
- A lack of people focused activity in physical and cultural regeneration
- VCSE temporarily renewed and up for review
- Many families with dependent children have no working parent(s)

Place

- Low confidence and self-image
- Low levels of car/van ownership and unwillingness to travel among certain groups and communities
- Particularly high levels of health deprivation and high levels of mental health conditions and behavioural disorders among ESA claimants, including the work related activity group

Economy

- Lack of entrepreneurial culture and low levels of self-employment, particularly among females
- Lower levels of micro and small businesses than regional and national averages
- Lack of low level and low risk finance to support start-up and business growth
- Lack of social enterprise focus in the ERDF-funded business support programmes

OPPORTUNITIES**People**

- Capacity to grow the business base, particularly self-employment and social enterprise
- Local groups and social enterprises keen to engage
- Rising levels of entrepreneurship
- Community asset transfer and service transformation agendas, including Achieving More Together
- Opportunities for the Grey economy to go legitimate

Place

- A good distribution of underutilised community assets with potential for growth
- Significant appetite to drive area improvement
- Town centre and area investment and development proposals, including Gateshead Quays, Southern Gateway and housing development and neighbourhoods in Bensham, Saltwell, Dunston and Teams, and Felling
- Presence of and proximity to a regional employment centre in Newcastle as well as key employment sites and industrial estates, including potential developments at Follingsby
- Opportunity to use Gateshead Fund to match CLLD investment

Economy

- Potential for growth with rising levels of business start-ups
- Supply chain opportunities through local employers and physical regeneration projects
- Numerous opportunities for social enterprise growth and development, particularly in sectors such as adult care and childcare
- Potential to address any demand for local workspace

THREATS**People**

- The impact of welfare reform, including debt levels
- Significant and multiple complex barriers to engagement and employment for many target participants
- Unaddressed health and wellbeing issues
- Recent and proposed investment and physical regeneration activities not directly benefitting local communities in terms of employment and skills

Place

- Financial viability, sustainability and condition of some community assets
- The capacity of the public sector to invest
- Proposed investments and developments not coming to fruition
- The EU referendum result and devolution agenda

Economy

- Importance of the public sector and wholesale and retail to local employment
- National and local economic performance
- Capacity or willingness of the private sector to invest over the short and medium term
- Predicted jobs growth across the NELEP area outstripping availability of labour

3. Strategy and Objectives

3.1 Intervention Logic

3.1.1 Local Needs and Opportunities

As noted in **Section 1**, the Gateshead CLLD area encompasses the town centre and Gateshead Quays, which has seen major regeneration activities since the 1990s. Importantly, the area has good access to a wide range of employment sites, as illustrated in **Figure 3.1**, over.

However, it also includes some of the most deprived areas in the Borough, stretching along the southern banks of the River Tyne with additional pockets in Bensham, High Fell, Saltwell and Deckham with high levels of poor health, and low qualification levels. The area also has a relatively young population, with issues over young people not in employment, education or training, and workless families. Wellbeing issues also figure prominently among those not in work. High levels of Child poverty are clustered around Felling (40.2%), Deckham (33.8%) and High Fell (32.8%), with small pockets of significant child poverty evident in Old Fold, Springwell Estate, Sheriff Hill and North Felling, where around 5 in 10 children live in families below the poverty line³⁵. Household income is therefore a factor to be addressed within the area.



It is therefore important to understand that CLLD can play an important role in helping those currently excluded from economic activity to connect with the opportunities that are developing around the area, including those individuals who are unemployed/inactive but living with someone in work, especially when household income is low.

The CLLD area includes a large Jewish community, with up to c.4-5,000³⁶ community members in a small area of Bensham. This community focuses on a strong educational presence, attracting international students to its five yeshivas and two seminaries, as well as a women's teacher training college, a fact which accounts for relatively low levels of economic activity within the community, linked to the fact that, due to religious observance members rarely work outside the community. Anecdotal evidence suggests that this population has increased in recent years, with in-migration from other parts of the UK due to economic (primarily housing cost) pressures and families moving to the area to study, leading to an increase in demand for employment support on community organisations, and the creation of new businesses.

³⁵ ONS Data 2013 % of all Children in Poverty 2013 – Gateshead Strategic Needs Assessment 2013

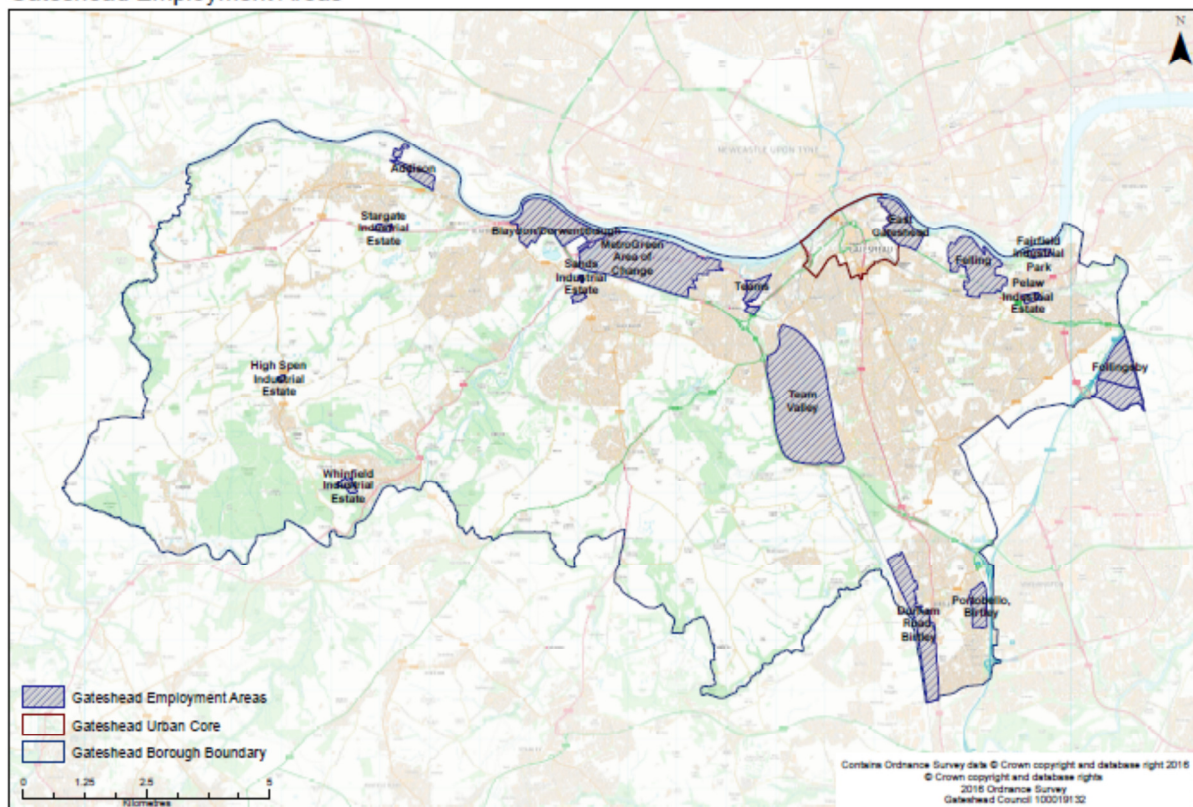
³⁶ 2011 census figures are lower at c.3,000, but anecdotal evidence suggesting non-registration and changes over the last five years have led to a significant increase.

There is also a perception of poor transport linkages, and while the data at **Section 2.4** suggests this may be more of a perceived than actual barrier, cost may also be a consideration. **Nevertheless, this perception came out strongly over the consultation, pointing to the fact that individuals see this as a real barrier to accessing employment, suggesting that approaches may be required to challenge this view.**

CLLD will therefore be used to help:

- The unemployed and economically inactive group in the area, by removing barriers to employment (including self-employment), and encourage access to opportunities through links to development sites (see **Figure 3.1**);
- Support the growth of new and existing micro and small businesses (including social enterprises) which have the capacity to offer employment and training to people in the CLLD area;
- Support the growth of local organisations that have, or can develop, the capacity to offer support and facilities that will contribute to the economic development of the area;
- Contribute to innovation and service transformation in the locality.

Figure 3.1: Employment Linkages
Gateshead Employment Areas



Achieving these aims will be enabled through focusing on key areas, and encouraging the development of specific activities to address these. Importantly, the support will be structured so that there is a **coherence** to interventions as a whole, for example with local employability support being located in community facilities, and business networks being used to develop training and employment for target groups.

Figure 3.2: Achieving CLLD Aims

LDS Theme	Focus	Example Activities	Action Plan - Priority Actions Addressed*
People	Delivery infrastructure, focusing on those furthest from the labour market	<ul style="list-style-type: none"> • Pre-vocational training • Peer to peer support for people facing additional barriers, such as health and wellbeing issues • Supporting mobility across the area into employment centres • Information, advice and guidance to help maximise personal and family incomes 	<ol style="list-style-type: none"> 1. Capacity Building 2. Pathways to Employment 3. Aspirations and Culture
Place	Physical infrastructure	<ul style="list-style-type: none"> • Developing underutilised space, especially in community owned facilities, • Helping to provide small workspace units in local facilities, with an emphasis on workshop, rather than office provision 	<ol style="list-style-type: none"> 1. Capacity Building 3. Aspirations and Culture 4. Workspace Infrastructure
Business	Creating an enabling environment for enterprise and innovation through community led organisations.	<ul style="list-style-type: none"> • Promoting self-employment as a potential route into work, for example by activities where local people are, such as childcare facilities, and inspiring communities and individuals to think about enterprise • Supporting co-operatives and social enterprise, especially in sectors that will contribute to other objectives such as social care or the provision of business loans through credit unions through specialist advice and small loans • Helping businesses to network and collaborate, for example through establishing joint training and work experience initiatives, or in accessing supply chains, for example in public sector procurement • Helping individuals to become enterprise-ready, to be able to access New Enterprise Allowance 	<ol style="list-style-type: none"> 1. Capacity Building 3. Aspirations and Culture 5. Business Creation 6. Business Growth

* - The Action Plan priorities are described in detail in Section 5, below.

3.1.2 Local Objectives and Targets

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

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

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

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

The outcomes from the implementation of the LDS will include:

- Reduction of unemployment, with a particular focus on underrepresented groups including age cohorts; minority groups; disabled people;
- Increased economic activity rates with a particular focus on the underrepresented groups mentioned above;
- Increased levels of self-employment and social enterprise, with the same focus as above;
- Increased employment in local businesses;
- Increased productivity in local businesses; and
- Strengthened community resources.

In addition to delivering the ESIF outcomes, there will be a range of softer outcomes that will be achieved for community and individuals including:

- Increased confidence and wellbeing;
- Improved aspirations and community self-image;
- Improved understanding of the needs people, place and business , with local residents being empowered to making decisions;
- Positive citizenship and respecting the values of others; and
- Positive role models in communities to inspire other, particularly young people to access employment or start a business.

Importantly, the LAG itself will be an important focus for capacity building and active engagement, building on the existing networks.

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

Figure 3.3: Objectives

ESF		ERDF	
Objectives	LDS Themes Addressed	Objectives	LDS Themes Addressed
Build local capacity to create economic interventions	Place	Promote and develop local entrepreneurship	People & Business
Support clear progress towards and into employment/self-employment, education and training access to work and training for those furthest from the labour market	People	Support the development and growth of local start-ups, micro and small businesses and social enterprises	Business
Improve local labour market participation and raise aspirations and culture	People & Place	Enhance community infrastructure and capacity for economic growth	Place
		Integration with local opportunities presented by key sectors, proximity to key employment sites, service and estates transformation agendas and other factors	People, Place & Business

Figures 3.4 and **3.5** over summarise the logic framework that informs the LDS for both ESF and ERDF interventions.

Figure 3.4: Logic Framework – ESF

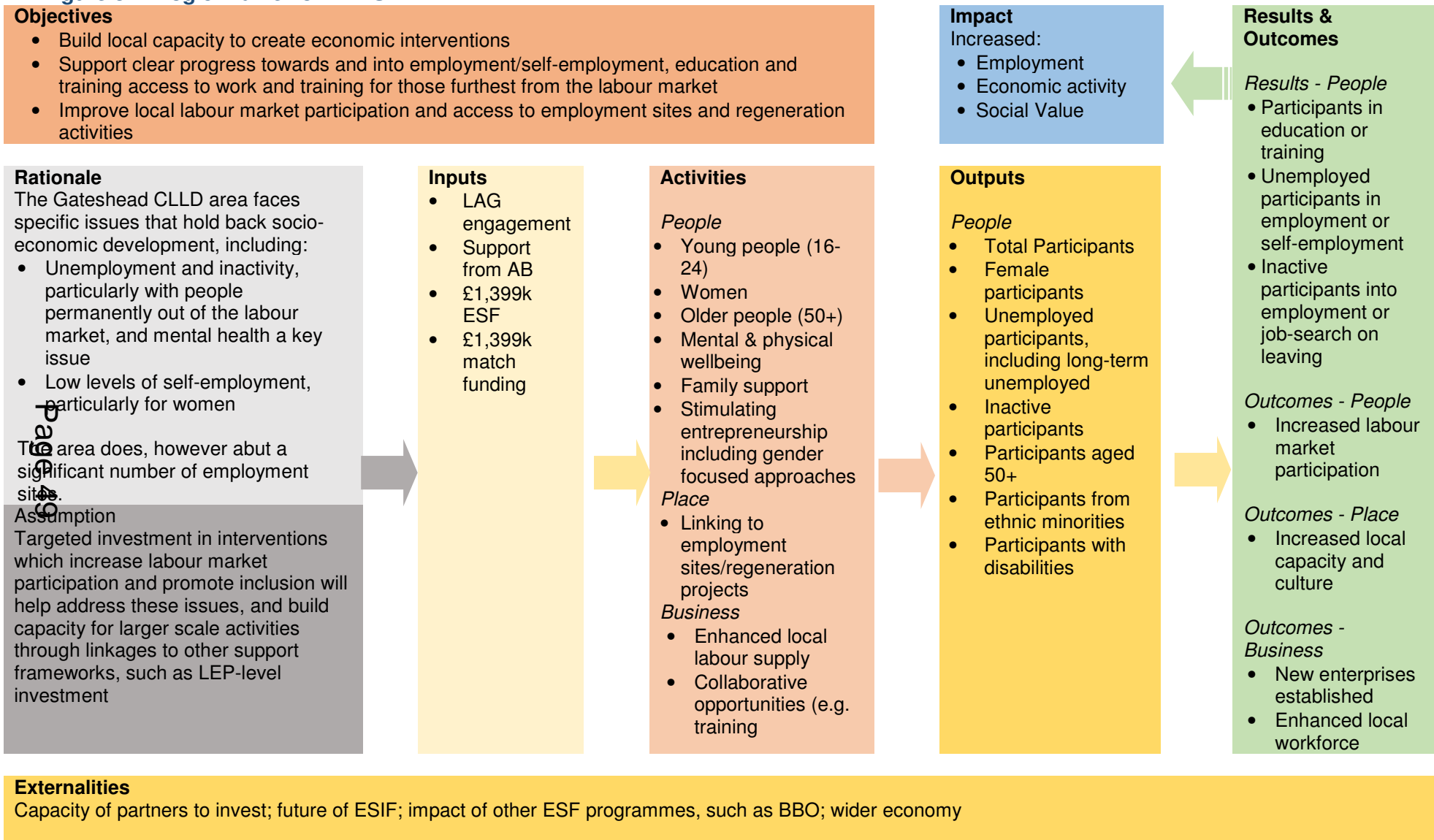
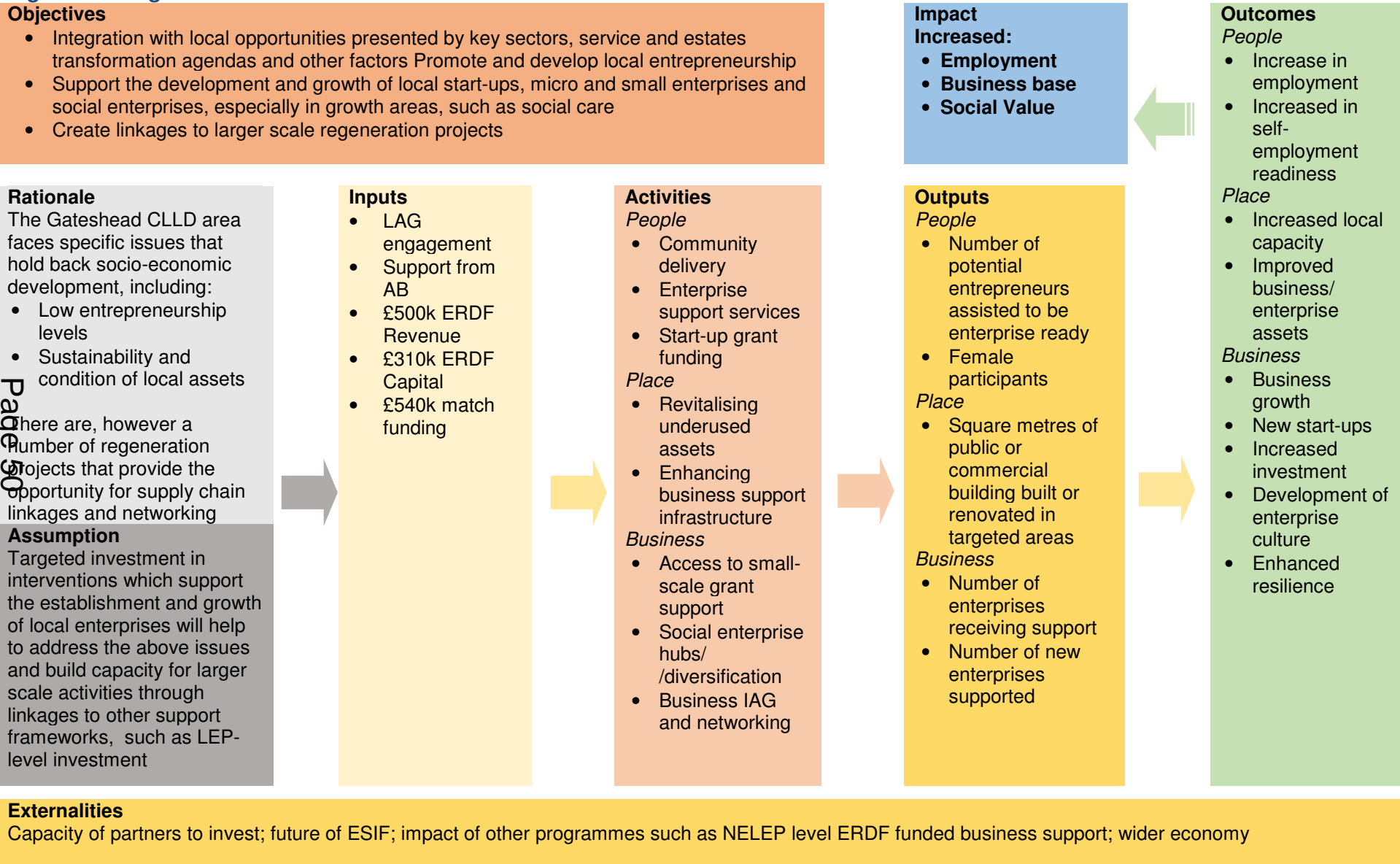


Figure 3.5: Logic Framework – ERDF



3.1.3 Actions & Funding

The focus of the LDS is to mobilise resources that will address the objectives in the most effective manner. **Figure 3.6** summarises the main ways in which the ESIF support will be targeted.

Figure 3.6: Actions & Funding

Theme	ESF		ERDF Revenue		ERDF Capital	
	Activities	Priority Actions Addressed ³⁷	Activities	Priority Actions Addressed	Activities	Priority Actions Addressed
People	Pre vocational training, mentoring and guidance	1. Capacity Building 2. Pathways to Employment 3. Aspiration and Culture	Community delivery of activities (e.g. social enterprise)	1. Capacity Building 5. Business Creation 6. Business Growth		
	Targeting groups with specific needs (e.g. age cohorts; minority groups; disabled people)	1. Capacity Building 2. Pathways to Employment 3. Aspiration and Culture	Supporting individuals to become enterprise ready	1. Capacity Building 3. Aspiration and Culture 5. Business Creation	n/a	
	Supporting entrepreneurial culture, including a focus on women in business	1. Capacity Building 3. Aspiration and Culture 5. Business Creation				

³⁷ Priorities identified in Section 5 of the LDS are: 1. Capacity Building; 2. Pathways to Employment; 3. Aspirations and Culture; 4. Workspace Infrastructure; 5. Business Creation; 6. Business Growth.

Theme	ESF		ERDF Revenue		ERDF Capital	
	Activities	Priority Actions Addressed ³⁸	Activities	Priority Actions Addressed	Activities	Priority Actions Addressed
Place	Physical access to employment sites (e.g. supporting effective use of public transport)	2. Pathways to Employment 3. Aspiration and Culture	Service transformation and innovation	1. Capacity Building 5. Business Creation 6. Business Growth	Extending the use of underutilised assets for enterprise (e.g. community facilities)	1. Capacity Building 4. Workspace Infrastructure
Business	Supporting the development of the labour supply through work experience and placements	1. Capacity Building 2. Pathways to Employment 3. Business growth	Business support and advice (including social enterprise)	1. Capacity Building 5. Business Creation 6. Business Growth	Developing local hubs with social enterprise focus	1. Capacity Building 4. Workspace Infrastructure
	Collaboration and networking (e.g. joint work experience/apprenticeship initiatives)	1. Capacity Building 2. Pathways to Employment 3. Business Growth	Targeting potential growth sectors (e.g. social care; environmental sustainability)	1. Capacity Building 5. Business Creation 6. Business Growth		

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

³⁸ Priorities identified in Section 5 of the LDS are: 1. Capacity Building; 2. Pathways to Employment; 3. Aspirations and Culture; 4. Workspace Infrastructure; 5. Business Creation; 6. Business Growth.

3.1.4 Monitoring & Evaluation

Robust and effective monitoring and evaluation is essential to programme management and delivery, serving to measure performance and inform ongoing development and delivery in a process of continuous improvement. The LAG has a central role in ensuring that the LDS fully meets the need of the wider community, and in adapting interventions to meet changing needs. It will therefore be essential that progress over the LDS as it evolves is subject to ongoing monitoring, in order to ensure that:

- Effectiveness and value for money is assessed;
- Emerging opportunity areas are identified;
- Any disadvantages experienced by underrepresented groups are minimised; and
- ESIF resources are targeted on activities of greatest need.

The Logic Frameworks (**Figures 3.4 and 3.5**) summarise the ways in which the ERDF and ESF components of CLLD will interlink and provide the basis for the evaluation framework for the LDS, with evidence to be collected for each component of the Logic Frameworks as well as equality monitoring data. This will provide a holistic approach to evaluation which demonstrates effectiveness in terms of outputs, results and impact and assess process related issues such as the effectiveness of application processes. Impact assessment will incorporate the collection of data from project beneficiaries to enable the quantification of the economic impact and social return on investment (SROI) of the programme. Such an approach will provide quantitative measures to demonstrate the impact of CLLD on the target community and the wider local economy.



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

3.2 Objectives

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

With a focus on **People, Place, and Business**, the LAG will direct ESIF resources with the aim of improving people's lives and developing the local economy. The overall aim of the programme will be to enable bottom up solutions to the challenges which the area faces. In particular, the LAG will seek to identify and support local initiatives that will enable practical

and innovative actions. This means that the CLLD activities will focus on the strategic objectives summarised in **Figure 3.7**.

Figure 3.7: Strategic Objectives

Theme	Activity Focus	Objectives (by 2023)	Priority Actions Addressed ³⁹
People	Routes into work	Reduction in economic inactivity rates, with a particular focus on underrepresented groups Increase in activities focused on people inactive/unemployed in worst 20% IMD areas Increase in numbers of self-employed, including proportion of women	2. Pathways to Employment 3. Aspirations and Culture 5. Business Creation
Place	Infrastructure	Establishing the LAG as a local focus for activity and funds leverage Creating new workspaces for micro/small enterprises Development of community facilities for economic development	1. Capacity Building 4. Workspace Infrastructure
Business	Networking & Support	Establishing new businesses Supporting new co-operatives/social enterprises Creating new networks focused on training and supply chain access	1. Capacity Building 3. Aspirations and Culture 5. Business Creation 6. Business Growth

3.3 ESI Fund Outputs and Results

Taking into account the overall objectives for the NELEP ESIF programme, the Gateshead minimum Outputs and Results to be achieved by 2023 are summarised in **Figures 3.8 to 3.10**.

³⁹ Priorities identified in Section 5 of the LDS are: 1. Capacity Building; 2. Pathways to Employment; 3. Aspirations and Culture; 4. Workspace Infrastructure; 5. Business Creation; 6. Business Growth.

Figure 3.8: ESF Outputs

ID	Indicator	Target
01	All Participants	1,700
<i>Of which:</i>		
-	Women	850
-	Men	850
CO03	Inactive	425
CO01	Unemployed	1,190
04	Over 50 years old	321
CO16	With disabilities	490
05	Ethnic Minorities	195

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

Figure 3.9: ESF Results

ID	Indicator	Target
CR02	Participants in education or training on leaving	323 (19%)
R1	Participants in employment (incl. self-employment) on leaving	272 (16%)
R2	Inactive participants into employment or job search on leaving	123 (29%)

The ERDF outputs are shown below. The LAG consider that the employment increase target will be the most challenging, and has therefore taken this into account when allocating resources within the Financial Plan (**Section 7**).

Figure 3.10: ERDF Outputs

ID	Output Indicator	Target
C1	Number of enterprises receiving support	100
C5	Number of new enterprises supported	75
C8	Employment increase in supported enterprises	55 FTEs
P12	Public or commercial buildings built or renovated	186m ²
P11	Number of potential entrepreneurs assisted to be enterprise ready	250

3.3 Consistency, Complementarity and Synergy

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

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

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

Areas appropriate for CLLD will therefore be:

- Supporting highly local employability activities, with an initial focus on older age groups;
- Building local capacity to deliver enterprise and employability services;
- Addressing gaps in enterprise provision, such as:
 - Social enterprise diversification;
 - Small-scale funding gaps; and
 - Networking among micro and small businesses

CLLD will therefore be used to complement existing activities and support. The key support provision to be taken into account is summarised in **Figure 3.11** over. It is important that CLLD not only acts in a manner complementary to these resources, but also understands the timescales over which these offers exist, so that interventions can be targeted appropriately.

Other relevant local interventions in the CLLD area include:

- The Big Local programme⁴⁰, covering Teams, Derwentwater Road and Racecourse Estate, which runs for 10 years from 2011, and includes the development of sustainable community facilities and responding to local social need;
- A range of targeted family wellbeing and family interventions, such as:
 - Family Nurse Partnerships;
 - Parent Outreach Workers;
 - Family Support Officers; and
 - Children's Centres

Whilst there are clear links between this other programmes (as highlighted in **Figure 3.11**), there are also synergies with other proposed or live community led initiatives in the NELEP area including:

- LEADER, which covers parts of six wards within rural Gateshead, The North Pennine Dales LEADER programme is within close proximity of the Gateshead CLLD area. Funding supports capital development around micro and small enterprise and tourism initiatives creating jobs and enhancing employment opportunities. Increasing the employment potential of CLLD residents will help them access jobs, whilst the market for self-employment will benefit from an enhanced rural economy; and
- Other potential CLLD initiatives. For example, funding is being sought to help address deprivation along large parts of the north bank of the Tyne in Newcastle, covering Scotswood, Byker and Walker, while the Tyne Gateway initiative covers the river mouth in across North and South Tyneside. These are within close proximity of the proposed Gateshead CLLD initiative, with the potential to enhance economic performance supporting economic growth within these areas and the wider travel to work area.

⁴⁰ [BIG LOCAL GATESHEAD - Community Plan 2016-19 \(January 2016\)](#)

Figure 3.11: Related Programmes

Programme	Summary
Building Better Opportunities (BBO)	Two joint ESF/Big Lottery Programme (2016-2019) focusing on: <ul style="list-style-type: none"> • People furthest from the labour market (award to be confirmed in Tyne & Wear) • Health Barriers to employment across Tyne & Wear (to be awarded)
NELEP Mainstream ESF	Employability and Active Inclusion activities; including Skills Funding Agency (SFA) and Department of Work and Pensions (DWP) opt-ins (2014-2020)
LA7 ESF Community Grants	Being led by Gateshead Council, Community Grants provides small grants to VCSE organisations to support unemployed or inactive people into the labour market. This is part of SFA Opt-in.
North East Mental Health Trailblazer	Covering the seven North East Combined Authorities providing additional employability support through coaches (2015-18) referred through Job Centre Plus and NHS Improving Access to Psychological Services
Talent Match ⁴¹	A Big Lottery programme targeting young people who are furthest from the jobs market, including those who are completely outside of the benefits, work and training system and facing severe barriers to gaining the skills they need to get into work. (2014-19)
DWP and Welfare Reform	This covers a range of provision, such as Work Clubs, and a range of support provision for people with disabilities or wellbeing issues, including: Access to Work; Fit for Work; Health and Work Innovation Fund; Work and Health Programme (from 2017) Changes to the benefits system, will also impact on our target group, such as: the move from Disability Living Allowance to Personal Independence Payments; Universal Credit; and the requirement for new ESA claimants to participate in work-related activity/job search.
Education Health and Care Plans	For young people with learning difficulties, physical disabilities, or health related problems (to 25).
Work Programme (becoming WP+)	The current Work Programme is under review, with new contracts underway from 2017 onwards.
Tyneside Recovery College ⁴²	NHS provision providing support for those facing mental health issues, with peer supported learning

⁴¹ <http://www.oasisaquilahousing.org/projects/talent-match>

⁴² <https://www.ntw.nhs.uk/pic/recovery.php>

Programme	Summary
FamiliesGateshead ⁴³	Local delivery of the Troubled Families programme, which includes an employability focus
Generation North East ⁴⁴	Connecting businesses with young (18-25) people (2015-18)
NELEP Mainstream ERDF	Business support (advice, grants and loans); Competitiveness; Innovation; Low carbon and climate change mitigation
New Enterprise Allowance	Mentoring, allowance and loans for benefits claimants
Prince's Trust Programmes ⁴⁵	Training, employability and business support for young people

3.4 Equality, Diversity and Inclusion Principles

The LAG will ensure that it complies with the requirements of the Equality Act 2010 (the Act) by having due regard to the needs of the underrepresented, such as those defined by the funder under ESF:

- Women;
- Long-term unemployed;
- Economically inactive;
- People aged 50 years and above;
- Ethnic minorities; and
- Participants who have disabilities.

The Accountable Body will also be responsible for compliance with the Public Sector Equality Duty (PSED) general and specific duties.

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

Specifically, the LAG will:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it;
- Remove or minimise disadvantages suffered by people due to their protected characteristics;
- Take steps to meet the needs of people with certain protected characteristics where these are different from the needs of other people;

⁴³ <http://www.gateshead.gov.uk/childrenstrust/FamiliesGateshead/TheTroubledFamiliesProgramme-2012-15.aspx>

⁴⁴ <http://generationne.co.uk/process>

⁴⁵ <https://www.princes-trust.org.uk/about-the-trust/where-we-work/north-england>

- Encourage people with certain protected characteristics to participate in public life or in other activities where their participation is disproportionately low.

In particular, we will ensure that CLLD takes into account hidden, or invisible disabilities, including mental health issues when targeting resources on helping individuals to move towards employment.

LAG members will be briefed and trained on equality, diversity and inclusion principles and practice. This training will form part of the induction processes for LAG members. Guidance will be made available to ensure ongoing compliance.

Figure 3.12 below summarises the principles that will inform our approach to equal opportunities. Our monitoring processes will include consideration of equal opportunities in practice.

Figure 3.12: CLLD Equal Opportunities Principles

Principle	Actions
Promoting Accessibility ⁴⁶	Ensuring that there are no unreasonable barriers to enabling potential beneficiaries to accessing support within the constraints of the funding available and subject to eligibility conditions being met
Valuing Cultural Diversity	Taking into account the different cultures that exist in the area (for example by acknowledging religious obligations, such as Shabbat) and respecting diversity
Promoting Participation and Inclusive Communities	Ensuring that individuals and organisations have reasonable access to information over the potential of CLLD funds and activities utilising both established and new networks and stakeholder groups
Reducing Disadvantage and Exclusion	Focusing our resources on individuals and areas exhibiting greatest need

3.5 Environmental Sustainability

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

We will seek to:

⁴⁶ Accessibility can be in the form of language, age, sexual orientation, culture, religion, childcare, disability.

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

Through activities focusing on diversification, we will also seek to encourage new business interventions that target the green economy, in order to maximise the benefits of moving towards **circular economy**⁴⁷ approaches that will benefit our community. This will include the investigation of potential circular economy activities that CLLD can support within the community.

3.6 Innovation

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

This approach requires an attitude to risk that encourages experimentation and prototyping, with the allocation of support acknowledging that not all attempts will lead to immediate success. This places the CLLD support on a spectrum that will develop initiatives, from community ‘prompts’, some of which will be capable of scaling up to larger interventions in the future as illustrated in **Figure 3.13**.

Figure 3.13 Innovation



To support this activity, the LAG will implement an **innovation fund** that will provide small scale grants to individuals and groups to, for example:

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

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

⁴⁷ <http://www.wrap.org.uk/about-us/about/wrap-and-circular-economy>

We envisage the scale of innovation grants to be c.£1,000-1,500, and will wish to investigate ways in which these can be 100% funded, either through the investigation of appropriate match funding, or through varying the programme intervention rates, by increasing the need for match on other funded activities. The innovation fund will be sourced from ERDF and will not exceed 1% of total CLLD expenditure.

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



4. Community Involvement in LDS Development

4.1 Introduction

Building on more than 20 years of LEADER funding in rural areas, CLLD seeks to take the bottom-up, community led principles of this approach to support the creation of multi-funded strategies that are tailored to community need and focussed on deprived and mainly urban communities. As a consequence, public, private and VCSE partners from across Gateshead have been empowered to identify and prioritise their needs and objectives and develop what is ultimately their LDS.

4.2 Community Involvement Activities

The Preparatory Consultants, representatives of Gateshead Council and other key local partners have facilitated a wide range of activities to secure community involvement in the LDS development process and the delivery of community influence in, and ownership of, the LDS.

The community involvement process has been delivered against a backdrop of external factors that have impacted on the ability to engage and involve the public at certain times and may also have discouraged participation from some within the community. This includes the:

- Presence of two purdah periods, firstly covering local elections in early May and the EU referendum in late June meaning that community involvement activities could not be delivered for a number of weeks; and
- Uncertainties created by the subsequent victory of the Leave vote, both of which may have discouraged participation in the process.

However, despite these challenges a multi-faceted and extensive programme of community involvement activities have been successfully delivered. Collectively these activities have ensured that individuals, organisations or representatives from across the VCSE sector and public and private partners have been involved, influenced and had ownership over each key step in the LDS development process. This includes playing key roles in each of the following:

- Defining the CLLD area;
- Influencing analysis of needs;
- Determining and delivery the LAG recruitment process;
- Shaping and prioritising SMART objectives;
- Shaping the Action Plan;
- Defining LAG governance structures; and
- Securing community ownership and sign-off of the LDS.

Figure 4.1 below provides a summary overview of the range of core community involvement activities that have been delivered, who has participated, when and how these were delivered and the role they have played in facilitating and securing involvement, influence and ownership.

Figure 4.1: Core Community Involvement Activities

What?	Who?	When?	What influenced?
<p>Shadow Local Action Group (Steering Group) meetings. This provided Shadow LAG members with the opportunity to contribute, shape and influence the CLLD development process from its earliest stages until appointment of the LAG. This involved various meetings and workshops.</p> <p>The shadow LAG was supported by a Project Board involving representatives from across Gateshead Council with VCSE representation.</p>	<p>15 representatives from the public, private and the VCSE sector.</p> <p>Organisations represented, include:</p> <ul style="list-style-type: none"> • Gateshead Advice Bureau • Gateshead College • Sight Service (Gateshead) • Oasis Aquila Housing • Gateshead Community Based Care • Gateshead Council • Gateshead College • Job Centre Plus 	<p>The shadow LAG met on a regular (often monthly) basis to inform the initial response to inform the CLLD development process from the initial Call for Proposals until the recruitment of the full LAG in July 2016.</p> <p>The Steering Group met monthly throughout.</p>	<ul style="list-style-type: none"> • CLLD area; • Initial application • Community consultation and LAG recruitment processes • LAG governance • Analysis of needs • SWOT analysis • SMART objectives and prioritisation
<p>Community questionnaire. This was an online questionnaire distributed via organisations and agencies represented on the Shadow LAG and made available via the Gateshead Council and Our Gateshead, the area's community website. Awareness of the questionnaire was also raised via a promotional postcard.</p>	<p>107 people or organisations responded to the survey, of which:</p> <ul style="list-style-type: none"> • 30% represented the private sector; • 43% represented the VCSE sector; • 13% represented the public sector; and • 13% represented residents or other. 	<p>The questionnaire was made available following purdah for local elections and was open from mid-May until August 2016, except for a 4 week suspension during purdah ahead of the European Union referendum.</p>	<ul style="list-style-type: none"> • LAG recruitment processes • Analysis of needs • SWOT analysis • SMART objectives and prioritisation • Identification of potential project ideas
<p>Drop-in Consultations. 3 of these were promoted through the same mechanisms as the community questionnaire. These were used to provide people with the opportunity to contribute further to the LDS development process and find out more about CLLD through direct discussions with the Preparatory Stage consultants and LAG or Shadow LAG representatives, and took place at the beginning and end of the process. Another Councillor briefing event was held at the Council which provided elected members with the opportunity to contribute to the process. A banner for Gateshead CLLD and the LAG was produced for promoting them at these events.</p>	<p>65 people attended these consultations. Participants, included representatives from across the public, private and VCSE sectors while the Councillor event was chaired by the Leader of Gateshead Council.</p>	<p>A Drop-in consultation was held in May 2016 to inform the initial analysis of needs and SWOT analysis with a further two drop-ins held in August 2016 to inform the prioritisation of objectives and Action Plan. The Councillor drop-in was held in July 2016.</p>	<ul style="list-style-type: none"> • Analysis of needs • SWOT analysis • SMART objectives and prioritisation

What?	Who?	When?	What influenced
Organisational interviews and meetings. This involved one to one interviews or small meetings with key representatives of agencies and organisations.	30 people were involved and influenced the LDS development process through these interviews and meetings. This included a particular focus on front-line agencies and organisations working with key potential beneficiary groups and communities in the CLLD and others delivering complementary initiatives, including activities currently being developed to ensure synergy and additionality of the LDS.	These were held from April 2016 until August 2016	<ul style="list-style-type: none"> • LAG recruitment processes • Analysis of needs • SWOT analysis • SMART objectives and prioritisation
LAG workshops and consultation. Following recruitment of the LAG in July 2016, they played a lead role in refining and finalising key elements of the LDS.	<p>14 LAG members were recruited during the LDS preparation process of which:</p> <ul style="list-style-type: none"> • 5 are VCSE representatives; • 2 are private sector representatives; • 3 are public sector representatives; and • 4 are individual representatives. <p>Above may change before finalisation The LAG also has 4 supporting members who do not have voting rights but provide additional advisory capacity. These representatives are all Council Officers specialising in social inclusion, communities, public health and enterprise and the social economy.</p>	From mid-July 2016 onwards, the LAG met to discuss and provided continual feedback on the LDS via email, telephone calls and meetings	<ul style="list-style-type: none"> • SWOT analysis • SMART objectives and prioritisation • Action Plan • LAG Governance
Virtual consultation via direct dissemination and online availability of the draft LDS.	The draft LDS was circulated to consultees of the above processes that provided the Preparatory Stage consultants with their contact details. The draft was also made available through Gateshead Council's consultation portal on their website.	Early August 2016	<ul style="list-style-type: none"> • SMART objectives and prioritisation • Action Plan

4.3 Community Influence

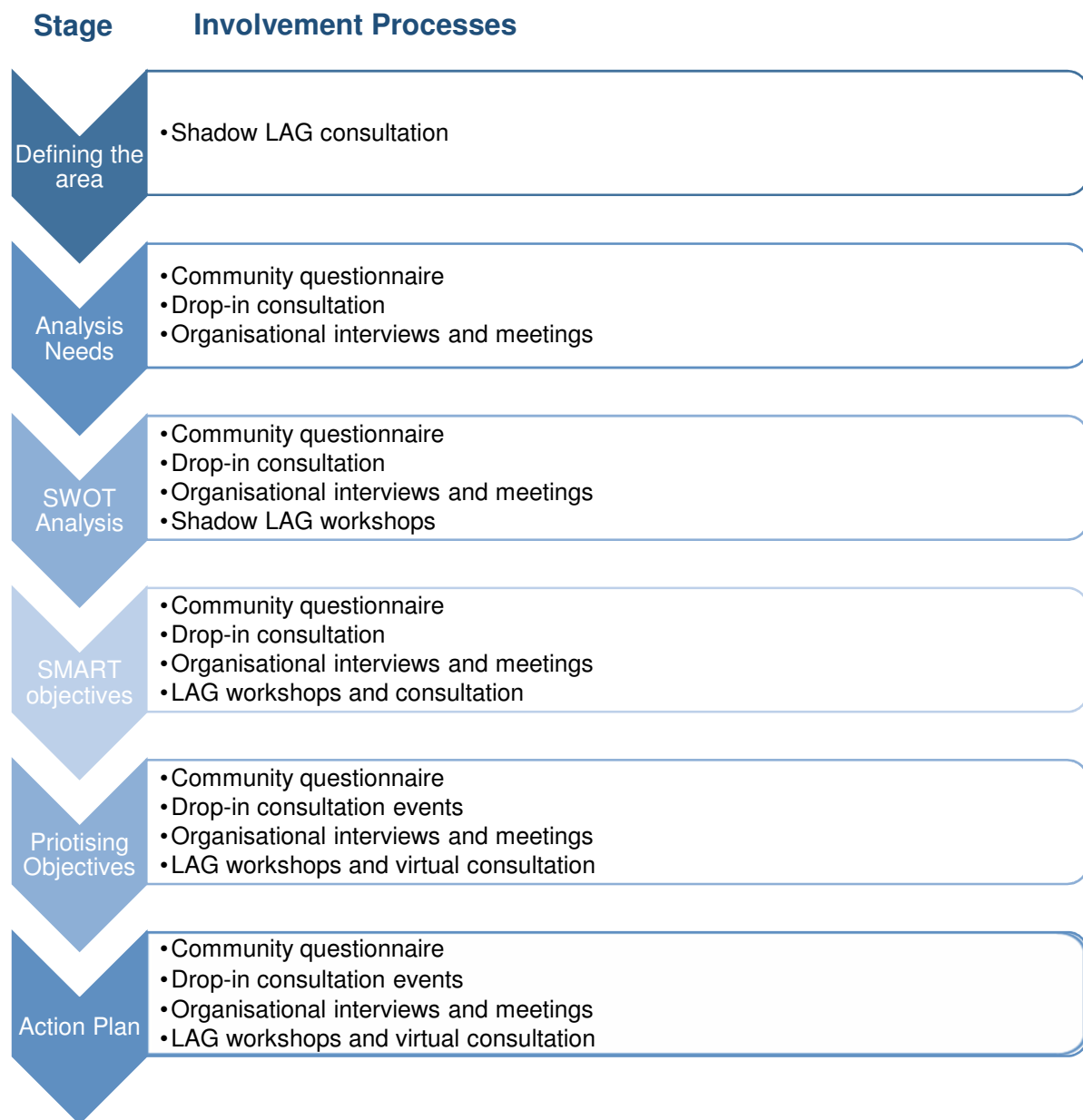
Figure 4.1 above illustrated the extensive programme of community involvement that was designed and delivered to ensure community ownership by providing multiple channels and opportunities for involvement and influence, in recognition of the different ways in which individuals, groups and organisations are likely to want or be able to be involved. As well as providing a conduit for community influence and involvement all of the above mechanisms were used to:

- Enhance understanding of CLLD, ERDF, ESF and other initiatives and programmes available and being planned;
- Begin generating a pipeline of potential projects, actions or initiatives to be taken forward under CLLD; and
- To extend the scope of the Shadow LAG and stimulate interest in and secure applications for the LAG.

Despite only being in the early stages of development the LAG recognises the importance of this project offering a long term legacy in terms of structure to embed the changes that will be achieved through the programme and also to attract additional funding to ensure the opportunity to influence change over a longer time period than that proposed through the programme. The LAG see this programme as contributing to structural change, using the next 5 years to drive longer term change, for example through the ability to attract additional funding, and also put in place new approaches to the development of self-sustaining services that will make a long term difference to the people and communities in the CLLD area.

Figure 4.2, over, provides a further summary of the community involvement process illustrating the methods used to secure community involvement and ownership at a number of key stages in the LDS development process.

Figure 4.2: Community Influence Overview



4.4 LAG Endorsement of the LDS

A letter from the Interim Chair of the LAG is attached as **Annex C**.

5. Action Plan

The aim of CLLD in Gateshead is to assist in creating conditions that will address the specific issues discussed in **Section 2**. The aim will be to create both economic and wider community benefits that will lead to measurable improvements in the area, and contribute towards the scaling up of innovative actions that will contribute more widely to economic development.

While the CLLD programme will help to achieve the ERDF and ESF outcomes highlighted within the proposal, the LAG also envisages that there will be significantly more benefits that will be derived from the activity.

A significant increase in economic activity in the area by the creation of jobs and businesses will increase incomes – it will also provide a range of new services to meet the needs of local people and residents. Business growth including the development of social enterprises will support the long term sustainability of the community, through providing opportunities for communities and community buildings to reshape their environment of economic but also social benefit.

The benefits of this approach go much more widely. Developing the skills base to help people into work and also supporting job and business creation will help support attitudinal change, developing the skills of residents to help make decisions on the future of their area, their community, and develop civic pride – building on the already existing good community spirit that already exists in many of these communities.

A cohesive and coterminous community has been chosen by the LAG to enhance the opportunity for these areas to interact, share and learn together. The LDS will help to break down barriers that may exist and build networks and relationships to help encourage the growth in economic performance.

The North East is going through a significant period of economic and social change – this CLLD strategy has been designed to help maximise the opportunities for the deprived communities of Gateshead, supporting those most furthest from the labour market to lead fulfilling lives improving their economic sustainability in the long term, and create new business and employment opportunities.

The six **priority actions** of the LDS that will enable this are:

1. **Capacity Building**
2. **Pathways to Employment**
3. **Aspirations and Culture**
4. **Workspace Infrastructure**
5. **Business Creation**
6. **Business Growth**

These are summarised in the following figures.

1. Capacity Building		
Objectives	Building and maintaining LAG Supporting local community infrastructure Building local partnerships Delivering the LDS	
Activities	Management and Administration Animation Innovation Fund	
LDS Linkages	Underpinning whole approach	
Other Linkages	Mainstream ESIF programmes	
Target Beneficiaries	Communities, organisations and individuals in the CLLD area	
Funding		
	ESF	ERDF Revenue
	£277,345	£37,500
		ERDF Capital
		£0
Indicators	Establishment of LAG Conversion of Innovation Fund grants to full projects (CLLD or other) – 66% New development partnerships established - 5	
Impacts/ Results	Additional funding leverage Enhanced local capacity Improved sustainability and resilience of community organisations and assets	



2. Pathways to Employment			
Objectives	To assist individuals to move towards employment, self-employment, education and training		
Activities	Training and support Wellbeing and family interventions		
LDS Linkages	1. Capacity Building 3. Aspirations & Culture 5. Business Creation		
Other Linkages	LA7 ESF Community Grants NELEP Mainstream ESF, including SFA and DWP Opt-ins Building Better Opportunities North East Mental Health Trailblazer Talent Match Families Gateshead Generation North East		
Target Beneficiaries	Unemployed and Economically inactive individuals in the CLLD area		
Funding			
	ESF	ERDF Revenue	ERDF Capital
	£1,000,000	£0	£0
Indicators	01	All Participants	1,360
	-	Women	680
	-	Men	680
	CO03	Inactive	340
	CO01	Unemployed	952
	04	Over 50 years old	257
	CO16	With disabilities	392
	05	Ethnic Minorities	156
Impacts/ Results	Individual and community wellbeing Increased household incomes Local employment increase Increase in residents in training Raised aspirations and improved self-confidence		

3. Aspirations and Culture			
Objectives	Raising personal expectations and ambitions Building community spirit		
Activities	Promotion of entrepreneurialism		
Linkages	1. Capacity Building 5. Business Creation		
Other Linkages	Overall regeneration objectives New Enterprise Allowance (NEA)		
Target Beneficiaries	Unemployed and Economically inactive individuals in the CLLD area		
Funding			
	ESF	ERDF Revenue	ERDF Capital
	£71,655	£0	£0
Indicators	01	All Participants	204
	<i>Of which:</i>		
	-	Women	102
	-	Men	102
	CO03	Inactive	51
	CO01	Unemployed	143
	04	Over 50 years old	38
	CO16	With disabilities	59
	05	Ethnic Minorities	23
Impacts/ Results	Social Capital New enterprises established Local economic growth Raised aspirations and improved self-confidence		

4. Workspace Infrastructure			
Objectives	Development of under-utilised assets to provide employment space		
Activities	Property improvement, including improved services		
Linkages	1. Capacity Building 3. Aspirations and Culture 5. Business Creation 6. Business Growth		
Other	NELEP Mainstream ERDF		
Target Beneficiaries	Organisations (including community organisations) with improvable space New and existing businesses		
Funding			
	ESF	ERDF Revenue	ERDF Capital
	£0	£0	£300,000
Indicators	P12	Public or commercial buildings built or renovated	186m ²
Impacts/ Results	Improved infrastructure Enhanced financial viability of local assets Enhanced local business networks		

5. Business Creation			
Objectives	Supporting individuals to consider setting up a business/social enterprise		
Activities	Pre NEA support Promotional activity Information advice and guidance		
Linkages	1. Capacity Building		
Other	NEA Princes Trust North East Enterprise Agencies Ltd (NEEAL) ERDF Business Start-up		
Target Beneficiaries	Individuals with the potential to become self-employed/start a business		
Funding			
	ESF	ERDF Revenue	ERDF Capital
	£50,000	£243,740	£0
Indicators	P11	Number of potential entrepreneurs assisted to be enterprise ready	250
	C5	Number of new enterprises supported	75
	01	All Participants	136
		<i>Of which:</i>	
	-	Women	68
	-	Men	68
	CO03	Inactive	34
	CO01	Unemployed	95
	04	Over 50 years old	26
	CO16	With disabilities	39
	05	Ethnic Minorities	16
Impacts/ Results	Increased local business base Increased diversity within the local economy Employment and GVA growth Local economic growth		

6. Business Growth			
Objectives	Supporting existing businesses to grow and innovate		
Activities	Small grants Information advice and guidance Networking and partnership support (incl. creating new training opportunities)		
Linkages	1. Capacity Building 3. Aspirations and Culture 4. Workspace Infrastructure		
Other	NELEP Mainstream ERDF		
Target Beneficiaries	Micro and small businesses (including social enterprises) in the CLLD area		
Funding			
	ESF	ERDF Revenue	ERDF Capital
	£0	£193,750	£50,000
Indicators	C1	Number of enterprises receiving support	100
	C8	Employment increase in supported enterprises	55 FTE
Impacts	Employment and GVA growth New products or services created Increased business collaboration Local economic growth		

CLLD Action Plan Part 1: Summary

Types of Activity	Total Expenditure	ESIF Funding			ESIF Outputs			
		ESF (a)	ERDF (b)	Total (a+b)	ESF		ERDF	
					Ref	Total	Ref	Total
1. Capacity Building	£592,190	£277,345	£37,500	£314,845	-	-	-	-
2. Pathways to Employment	£2,000,000	£1,000,000	£0	£1,000,000	01	1,360	-	-
					CO03	340	-	-
					CO01	952	-	-
					04	257	-	-
					CO16	392	-	-
					05	156	-	-
3. Aspirations and Culture	£143,310	£71,655	£0	£71,655	01	204	-	-
					CO03	51	-	-
					CO01	143	-	-
					04	38	-	-
					CO16	59	-	-
					05	23	-	-
4. Workspace Infrastructure	£500,000	£0	£300,000	£300,000	-	-	P12	186m ²
5. Business Creation	£506,250	£50,000	£243,750	£261,250	01	136	P11	250
					CO03	34	C5	75
					CO01	95	-	-
					04	26	-	-
					CO16	39	-	-
					05	16	-	-
6. Business Growth	£406,250	£0	£243,750	£261,250	-	-	C1	100
							C8	55
TOTAL	£4,148,000	£1,399,000	£810,000	£2,209,000				

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

ESF Outputs and Results	Number to be delivered in						
	2017	2018	2019	2020	2021	2022	Total
Output							
Number of participants	170	340	340	340	340	170	1,700
Number of participants that are women	85	170	170	170	170	85	850
Number of participants that are men	85	170	170	170	170	85	850
Participants that are unemployed including long-term unemployed	119	238	238	238	238	119	1,190
Participants that are inactive	43	85	85	85	85	42	425
Participants that are aged over 50	32	64	64	65	64	32	321
Participants that are from ethnic minorities	19	38	40	40	40	18	195
Participants that have disabilities	49	98	98	98	98	49	490
Results							
Participants in education or training on leaving	16	61	61	61	62	62	323
Unemployed participants in employment, including self-employment on leaving	14	50	52	52	52	52	272
Inactive participants into employment or job search on leaving	6	23	23	23	24	24	123

ERDF Outputs		Number to be delivered in						
		2017	2018	2019	2020	2021	2022	Total
C1	Number of enterprises receiving support	10	20	20	20	20	10	100
C5	Number of new enterprises receiving support	7	15	15	15	15	8	75
C8	Employment increase in supported enterprises	0	5	10	13	13	14	55
P11	Number of potential entrepreneurs assisted to be enterprise ready	25	50	50	50	50	25	250
P12	Square metres public or commercial building built or renovated in target areas	0	0	62	62	62	0	186

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

Expenditure	2017	2018	2019	2020	2021	2022	Total
(a) LAG Management & Administration	£66,563	£99,844	£110,938	£110,938	£110,938	£55,469	£554,690
(b) LDS Project Expenditure	£431,197	£646,796	£718,662	£718,662	£718,662	£359,331	£3,593,310
Total LDS Expenditure	£497,760	£746,640	£829,600	£829,600	£829,600	£414,800	£4,148,000
Funding							
(a) ESF	£211,410	£262,909	£278,009	£267,913	£270,456	£108,303	£1,399,000
(b) ERDF	£167,880	£251,820	£279,800	£279,800	£279,800	£139,900	£1,399,000
(c) ESIF Total	£97,200	£145,800	£162,000	£162,000	£162,000	£81,000	£810,000
(d) Public Sector Funding	£196,922	£295,384	£328,204	£328,204	£328,204	£164,102	£1,641,020
(e) Private Sector Funding	£35,758	£53,636	£59,596	£59,596	£59,596	£29,798	£297,980
(f) Total match funding	£232,680	£349,020	£387,800	£387,800	£387,800	£193,900	£1,939,000
Funding Total	£497,760	£746,640	£829,600	£829,600	£829,600	£414,800	£4,148,000

6. Management, Monitoring and Evaluation

6.1 Summary of the Local Action Group

A 'shadow' LAG has been operating to inform the development of the CLLD process. This incorporated a range of local interests, including the public sector, but primarily from the VCSE sector. This group was used to guide the Stage 1 process and to work towards the creation of the LAG in the current stage.

As the LAG was put together, it was agreed that it be constituted as an unincorporated association, with membership of the LAG executive being subject to formal application. In addition to the LAG executive, all local bodies will be encouraged to register as LAG supports. Those who register in this way will:

- Receive regular updates on CLLD activities;
- Be invited to an annual conference, at which progress will be reviewed and the membership of the LAG executive confirmed and renewed as required; and
- Underpin the CLLD communications strategy.

The LAG executive was selected from individuals and groups who were invited to put their names forward during the consultation process. By 10 June 2016, 37 individuals expressed an interest. In terms of composition:

- 27% came from the private sector;
- 16% public sector; and
- 57% voluntary and community sector (VCS).

These people were invited to formally apply for LAG Executive membership by the 15 July 2016, and were subject to review by a working group representative of: the Shadow LAG; Gateshead Council; and the external consultants supporting the Stage 2 bid. The criteria used for appointment was:

- Understanding of the target area;
- Ability to make objective assessments of funding bids in line with the requirements of ESF and ERDF Regulations;
- Appropriate knowledge (e.g. in: business; training; local support agencies);
- Specific appropriate skills (e.g. in: employment; finance; quality standards; health and wellbeing; property);
- Maintaining a representative group of interests across the target area; and
- Maintaining gender balance.

Figure 6.1 over summarises the current position on LAG executive membership. In addition, there are five 'supporting members' from Gateshead council, who do not have the right to vote.

The acting Chair is currently Vikki Wilkinson, Business Development Manager of Gateshead Advice Bureau who chaired the 'shadow' LAG. This will be reviewed at our next formal meeting (29 September). We are also actively seeking representation from additional groups, notably:

- The Jewish community in the area. Discussions on this have taken place with representatives of the Jewish Community Council of Gateshead; and

- One of the local universities.

Figure 6.1: LAG Executive Members

Member	Experience/Organisation	Constituency
Vikkie Wilkinson	Business Development Manager, Gateshead Advice Bureau	Independent Chair
Leeanne Bennett	The Nest CIC, Low Fell	Individual
Wendy Gill	Secretary, Bill Quay Community Farm	Individual
Sihle Mapanda	2 Way Tenancy Solutions CIC	Individual
David Wallace	Active Age North East	Individual
Brian Foreman	Manager, Handelsbanken, Gateshead	Private
Richard Talbot-Jones	Director of Talbot Jones Risk Insurance Ltd; North East Initiative on Business Ethics Ltd	Private
John Moiser	Specialist Partnership Manager at DWP Tyne & Wear	Public
Cllr Gary Haley	Gateshead Councillor for Dunston & Teams Ward; Cabinet Member for Economy	Public
Linda Blakelock	Funding Officer, Gateshead College	Public
Phil Dobson	Oasis Aquila Housing	Voluntary
Sarah Gorman	Edberts House Communities Project	Voluntary
Andrea Johnson	Head of Operations, Equality North East	Voluntary
Sue Taylor	Chief Executive Officer, Sight Service	Voluntary
Supporting Members (non-voting)		
Steve Reay	Economic Inclusion Specialist – Gateshead Council	Public
Michelle Booth	Social Enterprise and Entrepreneurship Specialist – Gateshead Council	Public
Paul Cairns	Area Co-ordinator – Gateshead Council	Public
Iain Miller	Public Health – Gateshead Council	Public
Claire Reid	Corporate Resources - Gateshead Council	Public

Members of the LAG sit as individuals, rather than delegates from organisations, although it will be possible for organisational members to appoint deputies. Members will be excluded voting on any applications that come from organisations in which they play a significant role. Conflicts of interest will be dealt with under guidance modelled on that used by North Pennine Dales LEADER.

The LAG Executive will:

- Keep the LDS under review, and support local businesses, groups and organisations to access ESIF resources and deliver appropriate actions in the CLLD area;
- Ensure that the wider community is aware of, and informed about, CLLD, including convening an annual conference;
- Issue calls for proposals in key areas of the LDS;

- Assess applications for support on the basis of a consistent scoring system (Section 6.3);
- Allocate ESIF resources on a majority vote, subject to review by the Accountable Body, to appropriate applicants; and
- Ensure that performance of funded projects is subject to monitoring and evaluation.

Terms of Reference for the LAG are provided at **Annex A**.

6.2 The Accountable Body

Gateshead Council has made an in principle decision to provide both the match for management and administration costs and act as the Accountable Body. Details are attached as **Annex B**.

The Council was chosen to undertake this role as it:

- Has the capacity and expertise to manage the delivery of ESIF resources such as the:
 - NECA ESF project on the sustainable integration of young people; and
 - NELEP-wide Community Grants Scheme;
- Has experience of the CLLD approach, through its participation in North Pennine Dales LEADER;
- Has strong relationships with the local business and social enterprise community through Economic and Housing Growth;
- Has many years' experience of CLLD initiatives and supporting the growth of Social Enterprises that are owned and controlled by their members / the local community;
- Has close working relationships with all community bodies operating in the area, supported through its Neighbourhood Management and Volunteering Team and working with the Gateshead Community Network;
- Has extensive experience of managing employment support initiatives that have helped many people from the deprived communities return to work – including regional and sub regional partnership initiatives;
- Manages and delivers the Gateshead Capacity Fund⁴⁸ to support community delivery of projects, including new start social enterprises to achieve the objectives of the Council Plan, with the objectives of delivering:
 - Prosperous Gateshead – a thriving economy for all; e.g. more people in work, fewer people with low skills through increased learning and development;



⁴⁸ <http://www.gateshead.gov.uk/People%20and%20Living/Grants/Grants.aspx>

- Live Love Gateshead – a sense of pride and ownership by all; e.g. a community which cares about their local area and share responsibility for making and keeping our environment the best it can be; and
- Live Well Gateshead – a healthy, inclusive and nurturing place for all; e.g. a place where, children have the best start in life, older people are independent and able to make a valuable contribution to the community, people choose to lead healthy lifestyles and more people are living longer and without life-limiting illnesses, a place where people feel safe.

As noted in the previous Section, the Council will also contribute participation of key staff in LAG executive meetings, providing additional specialist support and advice covering:

- Employment;
- Social enterprise and entrepreneurship;
- Economic inclusion, including financial inclusion;
- Wellbeing;
- Community development; and
- Financial appraisal.

The Council will also recruit a specialist team to support the management and administration of CLLD, comprising:

- Project Manager, with responsibility for supporting the LAG, liaison with the Accountable Body, and animation (in support of other Council teams and local organisations);
- Financial Support Officer, with responsibility for compliance, claims management; and financial reporting; and
- Administrative support, in providing information to the LAG, supporting meetings, and handling communications and publicity.

6.3 Project Development and Selection

Clearly, **animation** is a central concept in CLLD. Local groups will need to be informed and encouraged to take up CLLD ESIF resources, and understand how and where it can be used. Development staff in the Council and local organisations, including the LAG Executive, will have an important role to play in supporting this to happen.

The LAG will put out focused calls for **proposals**, which will highlight areas within the LDS that it is seeking to invest ESF and ERDF funds. These will either take the form of rolling calls, or specific time-limited calls. These will detail the:

- Topics to be addressed, including target groups;
- Scoring and assessment criteria;
- Expected outputs, results and outcomes; and
- Applications process.

Applicants will be expected to complete an **Expression of Interest**, and will be offered support through the Project Manager to frame this initial proposal in the context of the LDS and ESIF Regulations. Initial appraisal will be sifting will be undertaken by the Project Manager, who will review proposals for eligibility, deliverability and value for money, and present the EoIs to the LAG Executive, who will decide which proposals can be taken to a

full bid. At this stage, we envisage an important role for the Innovation Fund (**Section 3.6**), in helping potential bids to be worked up in greater detail before submission for full funding.

Appropriate proposals will then be worked up for **full submission**, with a detailed exploration of the activities to be undertaken, and the source(s) of match funding. Proposers will be provided with full details of the standard scoring system that the Lag will use to appraise the bids.

The full bids will then be **appraised** by the LAG Executive, taking into account the priorities of the LDS. Special consideration will be given to projects that meet some (or all) of the following criteria:

- Focus on beneficiaries in the CLLD areas falling into the bottom 20% LSOAs;
- Significantly contribute to local capacity;
- Develop innovative solutions to issues facing the locality;
- Involve local people and businesses in design and delivery; and
- Have the potential for upscaling to a larger intervention in the future, including tying in with mainstream ESIF support and other funding initiatives.

The LAG Executive will normally make its decisions at pre-arranged LAG meetings. In the event of a decision needing to be made outside of the planned meetings, it will be possible to make a decision based on a virtual meeting, through the use of email. To be valid, any decision making meeting (actual or virtual) will have to be on the basis of a quorum that comprises a minimum of 51% of voting members need to be present (or respond virtually) with no more than 49% of those members participating from the public sector. The decisions will be clearly recorded, either through the minutes of the LAG meetings, which will be signed off by the Chair, or in the event of a virtual decision, all emails will be kept on file, with a clear summary of the responses being collated. The decision will then be communicated to the LAG at the next scheduled meeting.

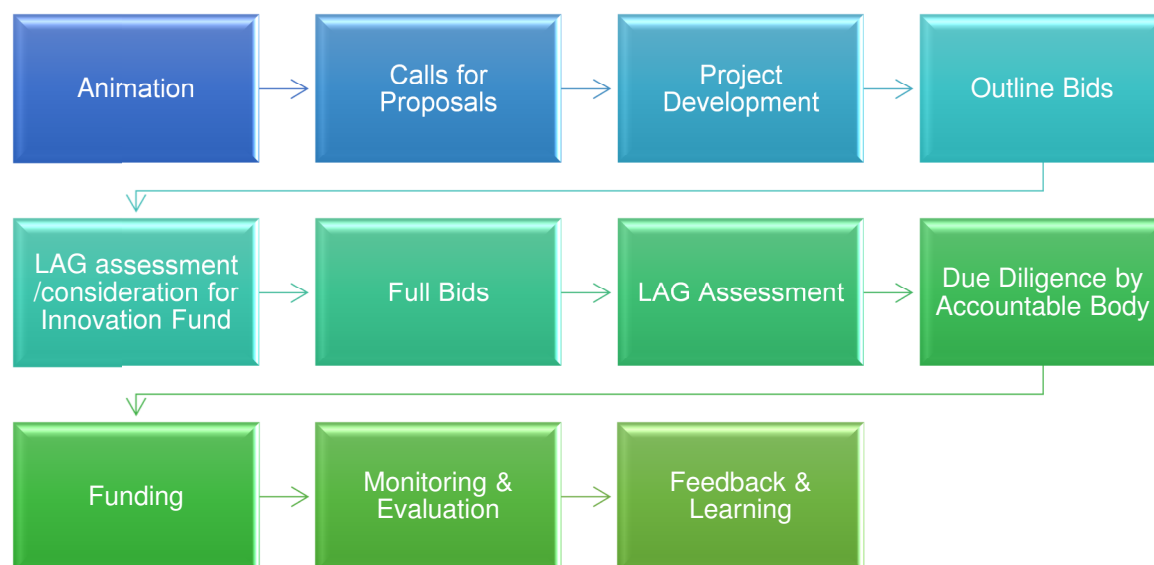
Approved bids will then be submitted to the Accountable Body to undertake **due diligence**, including:

- Fit with ESIF regulations;
- Sources of match funding;
- Financial and management capacity.

After funding has been agreed, the beneficiary group or organisation will provide **monitoring** data to the Accountable Body team, with the Project Manager providing update reports to the LAG Executive. Beneficiaries will be encouraged to self-evaluate, with larger projects being encouraged to use external evaluations, where appropriate. The intelligence generated through these processes will be used to inform review of the LDS, and any targeted calls that the LAG may make in future.

The process is summarised in **Figure 6.2** over.

Figure 6.2 Development & Selection



The LAG is keen to maximise the opportunity for legacy to be derived from projects and ensure that the good practice developed through this initiative would be carried forward into other projects, but also bring about long term structural change in the area by increasing employment opportunities and develop businesses, including small businesses that can create employment opportunities but also seek to promote social justice. **An important element of the LAG’s work will include building the capacity to influence change**, which includes exploring opportunities for the LAG to build on the work undertaken within this programme and secure a longer term future for this approach to promote economic inclusion in the longer term.

6.4 Monitoring & Evaluation

While ESIF Outputs and Results will provide an important underpinning factor to monitoring and evaluation practice, they do not provide the full picture of the programme’s impact on the local community and economy. As a consequence our approach to monitoring and evaluation will provide evidence that goes beyond output and result metrics to demonstrate the wider impact of the programme.

While ESIF does not require funded programmes and projects to demonstrate their economic impact in terms of £s, such an approach represents a valuable and powerful tool for illustrating the contribution of an intervention to the local economy and the public purse. There are numerous ways for doing this from using economic modelling techniques to illustrate economic impact in terms of jobs created to the collection of data from beneficiaries to show the GVA contribution of revenue focused approaches such as business assists. This in turn requires effective information collection and a standardised approach to calculating such measures to ensure consistency and comparability of results.

The monitoring and evaluation plan for CLLD will be structured around the Logic Frameworks in **Figures 3.4** and **3.5** above, firmly locating analysis within the context of project cycle management, and in meeting the objectives detailed in **Figure 3.7** above.

The **performance indicators** that will be used are therefore:

- Activity measures (e.g. services delivered; grants made; infrastructure supported);
- ESIF Outputs and Results, outlined in **Section 5**;
- Impact measures, comprising:
 - Employment increases including the use of robust multipliers to demonstrate the wider economic impact of these on the local economy;
 - Value in businesses in terms of increased turnover or GVA with robust multipliers used to demonstrate economic impact;
 - Social Value (in terms of social return on investment) such as savings generated through moving a beneficiary into work from benefits;
 - The extent to which Strategic Objectives are met, in terms of:
 - Routes into work;
 - Local infrastructure; and
 - Business networking and support.

Monitoring information will be collected quarterly from beneficiaries along with expenditure details, and projects will be asked to provide an end of project evaluation, detailing how they met objectives and lessons learned. This information will be collated by the Project Manager, and will be reported to the LAG at each meeting. In addition, an **annual progress report** will be prepared for consideration by the wider interest group, in order to inform LDS review and future interventions.

The LAG Executive will also commission three external studies:

- A **Baseline Report**, against which progress can be measured (£5,000 allocated to this activity);
- An **Interim Evaluation** in 2019, against which progress will be assessed, and the LDFS reviewed as appropriate (£5,000); and
- A **Final Evaluation**, which will provide a summative review of CLLD activities in 2022 (£15,000).

All of these reports will be shared on the CLLD website, and presented at appropriate annual consultation meetings.

6.5 Communications and Publicity

The LAG Executive will ensure that there is clear, timely, and appropriate information available to the wider community. This will include:

- A CLLD **website**, hosted on Gateshead Council's site. This will cover:
 - The LDS;
 - Calls for projects;
 - Reports and monitoring information;
 - LAG Executive minutes;
- **Social media** interventions on Facebook and Twitter, to update the community on progress and actions;

- Regular **news releases** to local press and media; and
- **Presentations** to local organisations, including the annual CLLD **conferences**.

We will ensure that ESIF publicity requirements are followed, including use of the correct logo, and references to ESIF in all CLLD communications.

All publicity materials issued by the project will clearly acknowledge ESIF support, using the appropriate logo and wording. All documentation prepared by the project, such as LAG application forms, leaflets, tender documents will display the appropriate logo, as will any information published on websites. Appropriate reference to ESIF support will be displayed at all Gateshead Council locations where CLLD staff are based, and all beneficiary projects will acknowledge ESIF support in in line with the current guidance⁴⁹.

6.6 Training and Development

The LAG Executive that has been assembled contains a wide range of appropriate expertise for the effective delivery of CLLD. As part of the support process, we are currently undertaking a training needs analysis of the LAG Executive, in order to ensure that members are supported through the role that they are being expected to undertake. This will especially be the case in supporting members to have a working understanding of ESIF regulations, and the constraints and opportunities that this type of funding requires. We will also ensure that LAG Executive members take into account good practice in equalities issues and governance.

We will also actively seek to liaise with other CLLD and LEADER LAGs in the locality, in order to share best practice in CLLD and develop peer to peer learning networks.



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https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/470206/ESIF_Publicity_Requirements_v2_221015.pdf

7. Financial Plan

7.1 Targeting

All of the Gateshead CLLD area is a More Developed Region. The resources will be focused on beneficiaries within the 20% most deprived areas, which make up 59% of the CLLD area population. The LAG will plan to expend 75% of available ESIF resources on this group. Where expenditure is made on beneficiaries outside these areas, the following criteria will be used:

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

7.2 Management and Administration

Figure 7.1 below shows the projected total budget to be committed to Management and Administration over the project life. This includes costs for three FTE members of staff, who will be employed by the Accountable Body, Gateshead Council, with the roles of:

- Project Manager;
- Financial Support; and
- Administrative Support.

Figure 7.1: Management & Administration Costs

Item	Cost 2017-2022
Staff Costs	£498,690
LAG Costs (including training)	£21,000
Monitoring & Evaluation	£25,000
Other	£10,000
Total	£554,690

The amount allocated to Management and Administration represents **22%** of the committed public sector contribution, on the basis of the minimum Gateshead Council commitment of **£277,345** to match an equal contribution of **ESF** to be used for this purpose.

7.3 Project Budget

The total CLLD budget for 2017-2022, including match, is projected to be **£4.15m**.

The project budget (not including Management and Administration) for the duration of the programme is summarised in **Figure 7.2** over.

Figure 7.2 Project Budget

Priority Action	ESF	%ESF	ERDF	%ERDF	ESIF	Match	Total	Total %
Capacity Building (incl. M&A)	£277,345	20%	£22,500	3%	£299,845	£292,345	£592,190	14%
Pathways to Employment	£1,000,000	71%	£0	0%	£1,000,000	£1,000,000	£2,000,000	48%
Aspirations and Culture	£71,655	5%	£0	0%	£71,655	£71,655	£143,310	3%
Workspace Infrastructure	£0	0%	£300,000	37%	£300,000	£200,000	£500,000	12%
Business Creation	£50,000	4%	£243,750	30%	£293,750	£212,500	£506,250	12%
Business Growth	£0	0%	£243,750	30%	£243,750	£162,500	£406,250	10%
TOTAL	£1,399,000	100%	£810,000	100%	£2,209,000	£1,939,000	£4,148,000	100%

The indicative allocation by year is summarised in the **Financial Summary for the Action Plan Part 3** (Page 47).

It has been assumed that spend will be:

- 12% in 2017;
- 18% in 2018;
- 20% in 2019-21; and
- 10% in 2022.

Private sector match has been assumed at 2% for ESF and 50% for ERDF, with the remainder being public sector funds.

However, only £277,345 has been allocated so far, to match Management and administration costs. At this stage, the LAG has yet to source match funding to support projects. This will be reviewed on an ongoing basis, with a view to establishing some linked funds, specifically for the Innovation Fund.

ANNEX A

Local Action Group Terms of Reference



Annex A

GATESHEAD GOES LOCAL

COMMUNITY LED LOCAL DEVELOPMENT LOCAL ACTION GROUP

Terms of Reference – August 2016

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

The LAG structure has two levels of membership:

- LAG Forum Members;
- LAG Executive Board.

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

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

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

DUTIES

Accountable Body

The Accountable Body will:

- Enter into Funding Agreement with the Managing Authorities:
 - Department for Work and Pensions (DWP) for European Social Fund (ESF)
 - Department of Communities and Local Government (DCLG) for European Regional Development Fund (ERDF)
- Review and adhere to necessary processes;
- Ensure that as many sectors of the community as possible can contribute to the delivery of the LDS;
- Provide advice and technical support to LAG on DWP and DCLG policies and processes, and in particular advise the LAG on issues of eligibility and compliance, including conflicts of interest
- Provide advice and support to project applicants to enable them to submit eligible applications for funding which meet the LDS priorities and objectives;
- Process applications for funding, and undertake appraisals of them;
- Ensure that projects selected for support;
 - Meet eligibility criteria;
 - Fit with the priorities of the LDS;
 - Undergo a transparent and compliant application and selection process;
- Enter into Grant Funding Agreements for approved projects, incorporating appropriate conditions in accordance with decisions made by the LAG;
- Pay projects' claims;
- Manage projects' performance against their funding agreements;
- Undertake project visits to verify progress and ensure compliance;
- Process grant claims and present these to DWP and DCLG for authorisation and payment;
- Maintain project and programme records to audit standards, and make these available for audit as required;
- Prepare regular progress and financial reports to the LAG and DWP and DCLG;
- Employ and manage LAG staff, and provide secretariat for meetings; and
- Incur eligible expenditure for Management and Administration, and submit quarterly claims in arrears.

Local Action Group Executive

The LAG Executive will:

- Develop and agree the LDS;
- Recruit a wide range of LAG members, reflecting the makeup of the area and the priorities of the LDS;
- Conduct its business in a compliant manner, acting on the advice of the Accountable Body on legal and technical issues as necessary;
- Promote bidding opportunities, with clear selection criteria, to all potential applicants in the LAG area;

- Select and prioritise projects according to their contribution to the LDS objectives and targets;
- Approve projects with funding levels, outputs, timescales and any conditions;
- Monitor the implementation of the LDS, and review as necessary; and
- Make effective links with other key organisations within and outside the LAG area.

LAG Executive Membership

Membership of the LAG Executive requires that:

- The LAG will comprise members of the public, private, community and voluntary sectors, ensuring that it represents a broad range of interests across the area. Membership will reflect both the area's geographical extent and its sectoral composition;
- Members must live in or work in the area of benefit. Organisations working across the area but located outside it may join the LAG and have a voting right;
- There must be more than 50% representation from the private/voluntary sector on the LAG, and on any decision-making group, and no single interest group or business sector shall exceed 50% of the LAG or any decision-making group;
- The number of voting members should not exceed 20;
- Members must identify whether they represent themselves, as individuals, or are representing an organisation. If representing an organisation, they may nominate one named substitute who may vote on their behalf;
- The LAG shall elect a Chair and Deputy at its first meeting. The Chair should preferably be from the private/community sector;
- Recruitment to the LAG Executive will be primarily by open advertisement. Co-option of members is permitted to achieve geographical, sectoral or demographic balance in the membership;
- LAG members shall be appointed for two years. Thereafter, all members will be eligible to re-apply to the LAG, alongside an open recruitment process;
- Members engaged in activity related to their position on the LAG must conduct themselves appropriately and respectfully in relation to other LAG members, programme staff, applicants and members of the public. Inappropriate behaviour may result in exclusion from the LAG at the discretion of the Chair. All members will be required to sign the Code of Conduct at the beginning of their term;
- Relevant training and background information related to responsibilities associated with LAG membership will be made available to any members requiring this;
- Regular attendance at meetings is required. Non-attendance for more than 3 consecutive meetings may result in loss of a place on the LAG, at the discretion of the Chair.

WORKING ARRANGEMENTS

LAG Executive

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

Meetings

- Will be held at a minimum bi-monthly, unless cancelled by the staff team giving seven days' notice;
- A calendar of meetings will be agreed each year for the next twelve months;
- Meetings will be rotated round the whole area and members will be encouraged to visit actual or proposed projects;
- Decisions will be by a majority of those present. The Chair or Deputy has a casting vote;

- The quorum for meetings will be a minimum of 51% of voting members; and
- LAG Executive members may be entitled to receive travel expenses for public or private transport to attend LAG meetings and any other LAG business required of them. Reimbursement for travel expenses will follow Gateshead Council's policy on mileage and expenses. Members will be encouraged to car share and use sustainable transport.

Decisions and Reporting

- Views and decisions of the LAG will be recorded by the staff team and signed by the Chair at the beginning of the following meeting;
- The Executive's recommendation as to whether an application should be approved, declined or deferred will be delivered through a show of hands to identify the majority view;
- Decision notice and offers of grant will be made by the Accountable Body, which will, where appropriate, have the ability to refer a matter, or elements thereof, back to the LAG for further consideration;
- Information on successful Grant Awards will be reported through the LAG's webpages;
- The Chair may, under below exceptional circumstances, circulate papers or proposals electronically to LAG members via the staff team for decision by written procedures, with a given deadline for comment. LAG members will be required to declare conflicts of interest by e-mail. The staff team will collate the information and checking if the requirement for a quorum has been met. At the end of deadline, the Chair will confirm through the staff team, if a decision has been made and met the requirement for a quorum, and conflicts of interest received;
- Exceptional circumstances are defined as follows:
 - Where a scheduled LAG meeting has to be cancelled due to lack of attendance or severe weather conditions;
 - Where the required mix of representation of LAG members in order for a decision to be made has not been achieved, e.g. public against private, sector representation from different interest groups;
 - Where the staff team faces a situation requiring advice and/or a decision from the LAG in between meetings.

Appeals Procedure

Any applicant who has a concern about the way in which their application has been handled should write in the first instance to Heather Lee – Employment Skills and Inclusion Manager, who will notify the complainant of any action that they propose to take in relation to the appeal within 10 working days.

Variance to Terms of Reference

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

Signed **Name (capitals)**

Date **Position: Chair**

On behalf of the Gateshead CLLD Local Action Group

Signed **Name (capitals)**

Date **Position:**

On behalf of Gateshead Council (the Accountable Body)

ANNEX B

Gateshead Council agreement in principle to act as Accountable Body

22nd August 2016

Gateshead Goes Local – CLLD Stage 1 Application

ERDF: 25R15L00329 / ESF: OC25R15L0224

To whom it may concern.

The Local Action Group for the above programme has approached Gateshead Council to ask it to be the Accountable Body and provide the matched funding for the above programme.

Whilst the Council is supportive of the project and has made an "in principle" decision to act as the Accountable Body and provide the £277,345 matched funding for the Management and Administration (M+A) costs, Members have not had the opportunity to review the proposal in any detail due to the summer recess.

The requests relating to the M+A costs and the Accountable Body Status will be considered by the Council at a Cabinet meeting in due course, therefore at this stage the funding or the agreement to act as the Accountable Body cannot be guaranteed.

I understand however that it is acceptable for the Local Development Strategy to proceed on this basis and be considered for progressing to stage 2.

Regards



Darren Collins
Strategic Director
Corporate Resources
Gateshead Council

ANNEX C

Letter of endorsement from LAG Interim Chair

Gateshead Goes Local – Local Action Group
C/O Gateshead Civic Centre
Regent Street
Gateshead
NE8 1HH

25/08/2016

Subject Gateshead Goes Local
ERDF: 25R15L00329 / - ESF: OC25R15L0224

To whom it may concern

As chair of the Local Action Group for the Gateshead Community Led Local Development Stage 1 submission, please find enclosed a copy of our recently completed Local Development Strategy which has been endorsed by the LAG.

I can confirm that all three outcomes relating to the strategy have been met in terms of:-

- 1) Preparation of the Local Development Strategy
- 2) Formation of the Local Action Group
- 3) An in principle decision - match funding and Accountable Body Status

Partners have worked extensively to ensure that the Local Development Strategy outlined, is an accurate reflection of local need and ensure that the Action Plan will ensure a satisfactory completion of the outcomes.

Gateshead Council has agreed in principle to provide the matched funding for the Management and Administration costs of £277,345 and to be the Accountable Body. It should be noted however that these are "in principle" decisions, which require ratification through its Cabinet process. Therefore at this stage they cannot be guaranteed. The Council are however supportive of the process and recognise the value and benefits that can be derived from the Strategy and its activity.

I therefore, on behalf of the Local Action Group recommend the strategy to you for consideration and for progress to a stage 2 application.

Yours sincerely

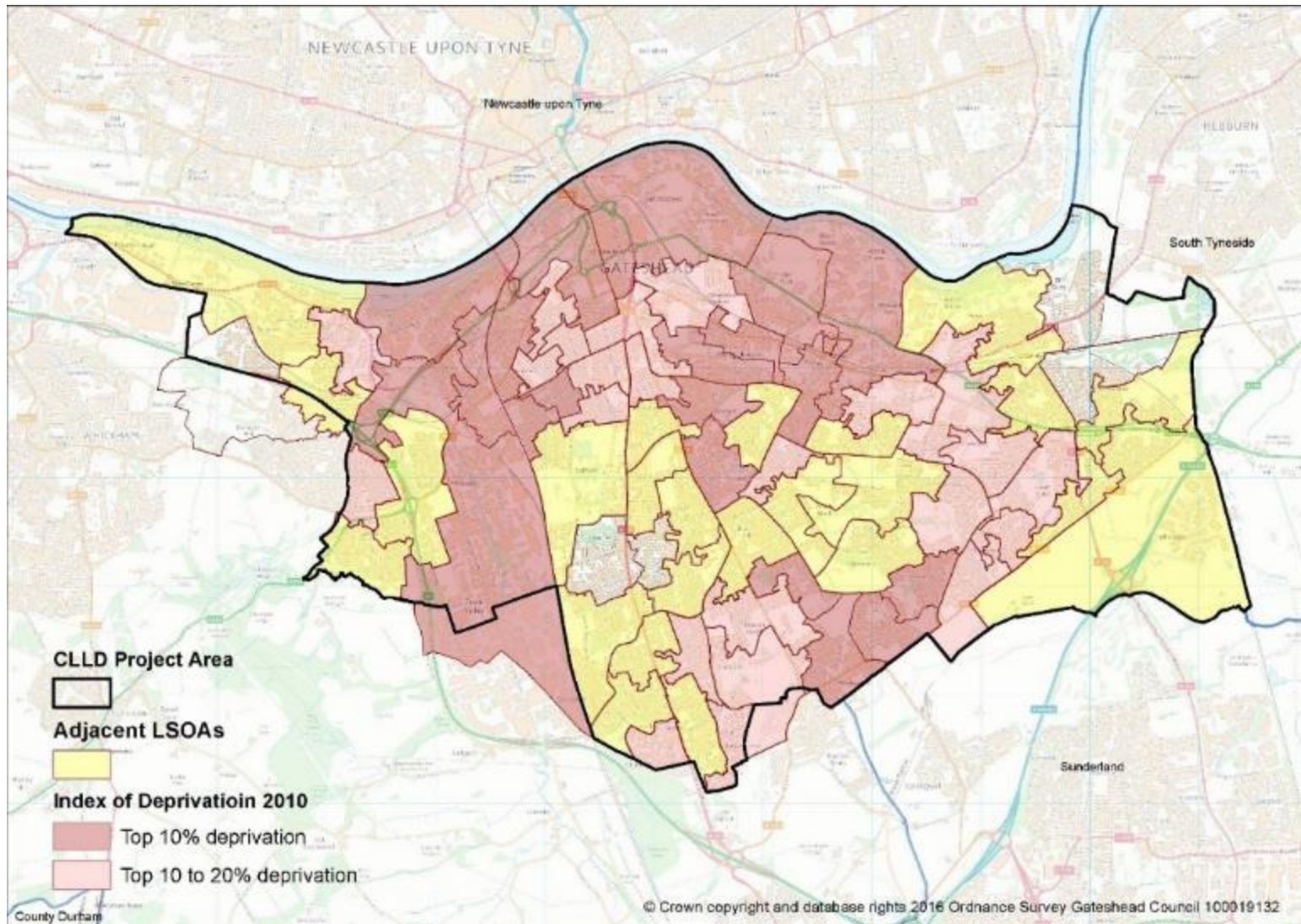


Vikki Wilkinson
Chair – Gateshead Goes Local - Local Action Group

Annex D

Description of CLLD AREA

Gateshead Goes Local: Area and LSOAs in bottom 20%



The map shows in pink the 20% most deprived LSOAs within the CLLD area, with those LSOAs adjacent to these highlighted in yellow, while those not highlighted are neither.

The **Gateshead Goes Local** - Local Development Strategy (LDS) focuses on the urban core of Gateshead. Located on the south bank of the River Tyne and sitting directly opposite Newcastle to the North, South Tyneside to the East, the City of Sunderland to the South East and rural Gateshead to the South and West, the area is home to around 114,500 people. Covering an area of approximately 3,387 hectares it enjoys good road linkages with direct access to the A1 North and South, and key A roads cross through the area in an east-west direction. The Metro light railway provides communities with direct links to Newcastle and Sunderland.

The area contains or is in close proximity to a range of key employment sites, some of which are of regional significance, such as the Town Centre, Gateshead Quays, Follingsby Park, Metro Centre and the Team Valley Trading Estate as well as others in neighbouring local authorities such as Newcastle City Centre, Nissan in Sunderland and Drum Industrial Estate in North Durham. These linkages form an integral part of the areas coherence as a functional economic area. The CLLD area also includes a number of Gateshead's key recent regeneration initiatives including BALTIC: The Centre for Contemporary Art and the Trinity Square development in the town centre.

Despite the link to these key employment sites, the area still contains communities that face significant levels of deprivation with around 61% of residents or 59% of the CLLD area population living in lower layer super output areas (LSOAs) within the 20% most deprived areas in England.

The CLLD area provides comprehensive coverage of eastern and central Gateshead and is focused on areas that experience high levels of disadvantage while directly linking them to areas of opportunity through the selection of adjacent areas and their neighbours, such as:

- LSOAs covering Low Fell which sits at the heart of the area and helps create a co-terminus economic geography with ties to the Team Valley Trading Estate. While not directly adjacent to the 20% most deprived LSOAs these add considerable value to the area through the significant levels of economic activity among residents, employment opportunities in local businesses and the skilled and active citizenry within the area;
- The adjacent LSOA in the South East of the area includes Follingsby Park, currently home to a significant number of businesses. This is due to be extended through Follingsby South with 22 hectares of developable employment land with a focus on distribution and logistics⁵⁰ and part of the NELEP second Enterprise Zone⁵¹;
- The LSOA covering Bill Quay in the North East, which includes a number of industrial employment sites and important community assets; and
- The area is also within close proximity to central Newcastle which offers employment opportunities, although research suggests the river may present a barrier among some residents of CLLD area communities.

The area also includes a number of proposed development and regeneration sites where CLLD could add value by directly benefiting the local community and especially those

⁵⁰ Gateshead Council & Newcastle City Council (2015) Planning for the Future: Core Strategy and Urban Core Plan for Gateshead and Newcastle upon Tyne 2010-2030.

⁵¹ <http://nelep.co.uk/north-east-lep-reveals-ten-locations-for-regions-second-enterprise-zone/>

furthest from the labour market. Focusing on central Gateshead the CLLD area therefore provides a coherent social, economic, and geographic community.

LSOA Details

Indicator Required	Data
LSOAs included in the CLLD area	E01008162; E01008163; E01008164; E01008165; E01008166; E01008167; E01008168; E01008169; E01008170; E01008171; E01008189; E01008191; E01008192; E01008201; E01008203; E01008204; E01008210; E01008212; E01008214; E01008215; E01008216; E01008217; E01008218; E01008220; E01008221; E01008227; E01008228; E01008231; E01008232; E01008241; E01008242; E01008251; E01008252; E01008253; E01008254; E01008257; E01008258; E01008259; E01008261; E01008281; E01008282; E01008285; E01008238; E01008239; E01008243; E01008287; E01008208; E01008190; E01008193; E01008194; E01008202; E01008205; E01008209; E01008211; E01008213; E01008219; E01008229; E01008230; E01008233; E01008234; E01008235; E01008236; E01008237; E01008240; E01008244; E01008255; E01008256; E01008260; E01008283; E01008284; E01008286.
LSOAs within the 20% most disadvantaged in IMD 2010	E01008162; E01008163; E01008164; E01008165; E01008166; E01008167; E01008168; E01008169; E01008170; E01008171; E01008189; E01008191; E01008192; E01008201; E01008203; E01008204; E01008210; E01008212; E01008214; E01008215; E01008216; E01008217; E01008218; E01008220; E01008221; E01008227; E01008228; E01008231; E01008232; E01008241; E01008242; E01008251; E01008252; E01008253; E01008254; E01008257; E01008258; E01008259; E01008261; E01008281; E01008282; E01008285; E01008238; E01008239; E01008243; E01008287; E01008208; E01008190; E01008193; E01008194; E01008202; E01008205; E01008209; E01008211; E01008213; E01008219; E01008229; E01008230; E01008233; E01008234; E01008235; E01008236; E01008237; E01008240; E01008244; E01008255; E01008256; E01008260; E01008283; E01008284; E01008286.
LSOAs adjacent to LSOAs within the 20% most disadvantaged in IMD 2010	E01008190; E01008193; E01008194; E01008202; E01008205; E01008209; E01008211; E01008213; E01008219; E01008229; E01008230; E01008233; E01008234; E01008235; E01008236; E01008237; E01008240; E01008244; E01008255; E01008256; E01008260; E01008283; E01008284; E01008286.
LSOAs not adjacent to or within the 20% most disadvantaged in IMD 2010	E01008238; E01008239; E01008243; E01008287; E01008208.

**Indicator
Required**

Data

Population of
LSOAs in CLLD
area⁵²

LSOA	Population	LSOA	Population	LSOA	Population
E01008214	1,680	E01008216	1,556	E01008256	1,771
E01008215	1,598	E01008228	1,193	E01008260	1,554
E01008243	1,525	E01008208	1,650	E01008261	1,460
E01008244	2,064	E01008211	1,710	E01008193	1,283
E01008209	2,088	E01008283	1,311	E01008194	1,390
E01008210	1,399	E01008284	1,471	E01008234	2,123
E01008258	2,320	E01008286	1,492	E01008239	1,524
E01008259	1,919	E01008287	2,071	E01008218	1,639
E01008167	1,668	E01008231	1,590	E01008220	1,284
E01008169	1,646	E01008240	1,514	E01008221	1,735
E01008170	2,008	E01008241	1,637	E01008227	1,706
E01008171	1,479	E01008242	1,670	E01008189	1,381
E01008257	1,442	E01008281	1,501	E01008190	1,295
E01008251	1,756	E01008282	1,487	E01008191	1,484
E01008252	1,765	E01008219	1,735	E01008192	1,433
E01008253	1,713	E01008235	1,466	E01008217	1,563
E01008254	1,352	E01008236	1,513	E01008162	2,377
E01008255	1,741	E01008237	1,554	E01008164	1,313
E01008165	1,399	E01008238	1,555	E01008166	1,559
E01008201	1,596	E01008229	1,380	E01008168	2,238
E01008202	1,869	E01008230	1,399	E01008163	2,000
E01008204	1,550	E01008232	1,388	E01008203	1,779
E01008212	1,381	E01008233	1,374	E01008205	1,549
E01008213	1,483	E01008285	1,439	Total	114,537

⁵² ONS, Census 2011.

TITLE OF REPORT: Centrally Employed Teachers' Pay Policy 2016

REPORT OF: Mike Barker, Strategic Director, Corporate Services & Governance

Purpose of the Report

1. To agree a centrally employed teachers' pay policy 2016, for approval by the Council, as set out in Appendix 2 to this report.

Background

2. The School Teachers' Pay and Conditions Document (STPCD) 2016 requires local authorities to produce a pay policy which determines teachers' pay and the date at which it will determine teachers' annual pay reviews, and establishes procedures for addressing teachers' grievances in relation to their pay.
3. Whilst there is no set format to which the policy statement must conform, the STPCD provides statutory guidance issued by the Secretary of State, to which authorities must have regard when preparing their policies.
4. The policy must be available for all centrally employed teachers to access, and be applied when the Council makes teachers' pay determinations.

Proposal

5. The Pay Policy as proposed in Appendix 2 covers all elements of the STPCD set out under main headings that are intended to demonstrate the consistency in the Council's approach to pay across the teaching workforce and to highlight any differences. Those main headings are:
 - General principles regarding teachers' pay
 - Governance arrangements and development of pay and allowances ranges
 - Payment for additional duties
 - Process for appeals

Recommendation

6. It is recommended that the attached draft policy is agreed by Cabinet and referred to the Council for approval.

For the following reason:

- To comply with the requirements of the STPCD

Contact: Mike Barker

Ext 2100

Policy Context

1. The annual publication of a pay policy statement for the year 2016/17 is a requirement of the STPCD.

Background

2. The Council's approach to teachers' pay has been determined by reference to the statutory legislation governing teachers' pay (STPCD). The pay policy incorporates the key requirements of this document.

Consultation

3. The Council's recognised teaching trade unions have been consulted. The Cabinet members for Children and Young People and the Leader have been consulted on the proposals.

Alternative Options

4. The publication of a pay policy statement is a legal obligation under the statutory legislation governing teachers' pay.

Implications of Recommended Option

5. **Resources:**

- a) **Financial Implications** – There are no financial implications arising from this report.
- b) **Human Resources Implications** – The Council's centrally employed teachers' pay policy is designed to recruit, reward, motivate and retain as necessary employees with the skills and attributes required to deliver the Council's educational services. It is part of the Council's overall human resources policy framework, through which it aims to be an exemplary employer.
- c) **Property Implications** – there are no property implications arising from the recommendations within this report.

6. **Risk Management Implications** - The changes in the Council's centrally employed teachers' pay policy as recommended in the report are relatively minor and are not considered to introduce any new risk.

7. **Equality and Diversity Implications** – Fair pay and reward are fundamental to the Council's approach to employment. The Council's application of consistent pay principles throughout the organisational structure ensure that Equality and Diversity issues are properly taken into account.

8. **Crime and Disorder Implications** – There are no crime and disorder implications.

9. **Health Implications** - There are no health implications.
 10. **Sustainability Implications** - There are no sustainability implications.
 11. **Human Rights Implications** – There are no human rights implications.
 12. **Area and Ward Implications** - There are no area and ward implications.
- Background Information** - School Teachers' Pay and Conditions Document 2016

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Centrally Employed Teachers' Pay Policy 2016

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1. Aim

- 1.1. Section 3 of the School Teachers' Pay and Conditions Document places a statutory duty on the Council to have a pay policy for teaching staff, including appeals against pay determinations.
- 1.2. This policy sets out the basis on which the Council will make pay determinations for all teachers centrally employed and the date on which the determinations will be made.
- 1.3. The Council seeks to ensure that all teachers are valued and receive proper recognition and remuneration for their work and their contribution to education across Gateshead.

2. Scope

- 2.1. This policy applies to all teachers employed by the Council. However, it does not apply to teachers employed or appointed by the governing body to work in a maintained school as the responsibility for pay decisions lies with the governing body of the school.
- 2.2. This policy will:
 - maintain and improve the quality of education provided for pupils in Gateshead;
 - demonstrate to employees that the Council is acting in the best interests of education across Gateshead;
 - be implemented in a fair, consistent and responsible way;
 - be made available to all centrally employed teachers.

3. Responsibilities

- 3.1. The Council will:
 - promote high standards of educational achievement across Gateshead;
 - delegate authority to the relevant service director to administer the pay policy on its behalf;
 - consult with Human Resources where appropriate;
 - abide by all relevant legislation and, in particular, will not discriminate on grounds of race, colour, ethnic origin, religion, belief, gender, marital status, sexual orientation, disability or age with regard to all decisions on recruitment, remuneration and development;
 - seek to ensure that there is pay relativity between jobs within the Council recognising accountability and job weight and the need to recruit, retain and motivate employees;

The Pay Policy

- seek to ensure that arrangements for linking appraisal to pay are applied consistently and objectively;
- seek to ensure procedures for determining pay are consistent with the principles of public life - objectivity, openness and accountability;
- adhere to Council policies governing employment issues e.g. redundancy and retirement policies.

3.2. The relevant service director will:

- decide pay determinations for all teachers within their service;
- exercise its responsibilities within the constraints of the Council's budget;
- treat information about all teachers' earnings as confidential;
- review job profiles regularly and will reconsider the grade of any role should responsibility or accountability change;
- take account of the advice of the relevant service manager/head teacher and recommendations from appraisers when making pay determinations;
- seek advice and guidance from the school improvement partner when developing the head teacher's job profile, setting performance objectives and determining pay;
- consult with all teachers and their trade union representatives on changes to the service's staffing structure which has implications on pay;
- consult with teachers and their trade union representatives during each annual review of the pay policy.

3.3. The service manager/head teacher will:

- seek to ensure that job profiles are in place for all roles at the time of advertising;
- review all teachers' job profiles as part of the appraisal process and consult with teachers' and their trade union representatives on any changes to the responsibilities or accountabilities of their role;
- seek to ensure that effective appraisal arrangements are in place and that any appraisers have the knowledge and skills to apply procedures fairly and consistently;
- make recommendations to the relevant service director with regard to staffing matters including structures, grades, pay and discretionary payments.

3.4. The employee will:

- engage in consultation with the relevant service director and/or the service manager/head teacher in relation to staffing matters including structures, job profiles and grading;
- participate in arrangements made for their performance appraisal, in accordance with their conditions of employment.

4. Annual Determination of Pay

- 4.1. All teachers will have their performance appraised annually and an annual pay review will take place between 1st September and 31st October. Annual pay progression determinations will be back dated to 1st September.
- 4.2. Where appropriate, the relevant service director should take into account the relevant information from appraisal reports in making pay determination decisions.

5. Records

- 5.1. Pay information will be confidential to the employee concerned, the service manager/head teacher and the relevant service director.

The Procedure

The Council will follow the requirements of the current School Teachers' Pay and Conditions Document ("the Document") in implementing the pay policy for centrally employed teaching staff.

The discretions allowed by the Document will be applied according to identified service needs and based on clearly laid down criteria, subject to annual review.

1. Leadership Group

Leadership Pay Ranges

- 1.1. The Council will determine those posts that have substantial strategic responsibilities for leadership of educational provision in Gateshead. These will comprise the leadership group and may include an executive head teacher, head teacher, deputy head teacher(s) and/or assistant head teacher(s).
- 1.2. The relevant service director will establish and approve the service's/educational provision's group size and appropriate pay ranges for members of their leadership group in accordance with the provisions of the Document.
- 1.3. The service's/educational provision's group size will be recalculated in accordance with the provisions of the Document whenever:
 - a new head teacher is to be appointed;
 - the existing head teacher becomes permanently responsible for more than one school;
 - or there is a significant change in pupil numbers as determined in the Department of Education's School Census.
- 1.4. The Council has agreed to implement the attached reference points for the leadership pay ranges as detailed in appendices 1 - 4.

Head Teacher's Pay Range

- 1.5. The Council has determined in accordance with the provisions of the Document that the group size for the Behaviour Support Service is group 2. The head teacher's pay range is currently set as L19 – L25 with performance related progression as per the reference points detailed in appendix 1.

Head Teacher's Pay Range Review

- 1.6. The head teacher's pay range will be reviewed and re-determined, if necessary, in accordance with the provisions of the Document whenever:
 - a new head teacher is to be appointed;
 - a new deputy or assistant head teacher is to be appointed;
 - an additional leadership role is established and appointed to;
 - there is a significant change in the head teacher's or other members of the leadership group's responsibilities;

The Procedure

- the existing head teacher becomes permanently responsible for more than one school; or
 - there is a significant change in pupil numbers as determined in the Department for Education's School Census.
- 1.7. The Council will then set an appropriate pay range taking into account all the permanent responsibilities of the head teacher, any challenges specific to the role of head teacher and all other relevant considerations.
- 1.8. A newly appointed head teacher will be appointed within the head teacher's pay range taking into consideration the extent to which they meet the requirements of the role ensuring there is appropriate scope within the range to allow for performance related progression.
- 1.9. The relevant service director may determine to exceed the maximum of the head teacher's pay range and/or the leadership pay range (group) where they determine circumstances specific to the role warrant a higher than normal payment. The salary and any additional payments will not exceed the maximum of the leadership pay range (group) by more than 25%.
- 1.10. The relevant service director will record the rationale for any pay determinations made in relation to the head teacher's pay range.

Head Teacher Temporary Payments

- 1.11. Temporary payments will not be awarded to the head teacher as an incentive for recruitment or retention. Recruitment and retention considerations will be taken into account when determining and appointing to the head teacher's pay range.
- 1.12. The relevant service director may determine a temporary payment to be made to the head teacher taking into account:
- any temporary responsibilities or duties that are in addition to their role; or
 - being appointed as a temporary head teacher of one or more additional educational provisions/schools (i.e. soft federation).
- 1.13. The relevant service director will only determine a payment for the above reasons if they have not already been accounted for when determining the head teacher's pay range.
- 1.14. If the relevant service director has exceeded the maximum of the head teacher's pay range and/or leadership pay range, this must be taken into account when calculating the temporary payment as the total will not exceed 25% of the head teacher's annual salary in any school year.
- 1.15. The relevant service director has the discretion, in wholly exceptional circumstances, to exceed the 25% limit. However, they will seek external independent advice before agreeing such temporary payment.

Assistant Head Teacher(s) Pay Range

1.16. The assistant head teacher's pay range within the Behaviour Support Service is currently set as L7 – L11 with performance related progression as per the reference points detailed in appendix 2.

Assistant Head Teacher's Pay Range Review

1.17. The assistant head teacher's pay range will be reviewed and re-determined, if necessary, in accordance with the provisions of the Document whenever:

- a new head teacher is to be appointed;
- a new deputy or assistant head teacher is to be appointed;
- an additional leadership role is established and appointed to;
- there is a significant change in the head teacher's or other members of the leadership group's responsibilities;
- the existing head teacher becomes permanently responsible for more than one school; or
- there is a significant change in pupil numbers as determined in the Department for Education's School Census.

1.18. The relevant service director will establish appropriate pay differentials by identifying the salary of the highest paid classroom teacher (including taking account of the value of the maximum salary of the pay range, TLR and SEN allowances) to determine the minimum point for the deputy or assistant head teacher pay range.

1.19. The relevant service director will then set an appropriate pay range taking into account all the permanent responsibilities of each deputy and assistant head teacher role and all other relevant considerations.

1.20. The pay range for a deputy or assistant head teacher will only overlap the head teacher's pay range in exceptional circumstances. If the relevant service director determines an overlap, the maximum point of the deputy or assistant head teachers' pay ranges will not be above the maximum point of the head teacher's pay range.

1.21. The relevant service director may determine deputy and assistant head teachers' pay ranges which overlap.

1.22. Newly appointed deputy and assistant head teachers will be appointed within the pay range taking into consideration the extent to which they meet the requirements of the role ensuring there is appropriate scope within the range to allow for performance related progression. The relevant service director will formally record the rationale for this decision.

1.23. Recruitment and retention payments will not be awarded to deputy or assistant head teachers. Recruitment and retention considerations will be taken into account when determining and appointing to the deputy and assistant head teacher's pay ranges.

2. Leading Practitioners

- 2.1. The Council may employ teachers as leading practitioners if appropriate, and the relevant service director will determine an individual five point range within the leading practitioner pay range for each post established. The Council has determined the leading practitioner pay range as attached at appendix 4.
- 2.2. Leading practitioners are not entitled to receive TLR payments as all permanent responsibilities for teaching and learning should be taken into account when determining the individual pay range for the role.

Leadership Group/Leading Practitioners Pay Progression

- 2.3. The relevant service director must consider annually whether or not to increase the salary of all members of the leadership group and leading practitioners who have completed a year of employment since the previous pay determination.
- 2.4. The Council's Teacher Appraisal Policy ensures that a review against performance objectives is undertaken annually. The relevant service director will then consider recommendations made following the performance appraisal and will determine whether or not to award any progression with the maximum award of 2 points.

Leadership Acting Allowances

- 2.5. The relevant service director may award an acting allowance to members of the leadership group below head teacher who, for a minimum period of one month, carries out the duties of a more senior member of the leadership group.
- 2.6. Such an allowance would be assessed as though the member of the leadership group were being appointed to the substantive role. Payment will be made on the lowest point of the appropriate pay range. Payment may be backdated to the commencement of the duties.

3. Unqualified Teachers

- 3.1. Unqualified teachers are those teachers who have yet to achieve Qualified Teacher Status (QTS) and will be paid on the unqualified teacher's pay range until QTS is granted. The Council has determined the unqualified teacher's pay range and this is attached at appendix 5.
- 3.2. The service manager/head teacher will determine where a newly appointed unqualified teacher will enter the range, having regard to any qualifications or experience they may have, which they consider to be of value and will base this decision on the following criteria:
 - qualifications;
 - added value to the service;
 - level of training required to fulfil the needs of the post;

The Procedure

- current salary;
- level of experience.

3.3. Unqualified teachers are not entitled to hold TLR 1 or 2 posts on the Council's staffing structure or be awarded a TLR 3.

4. Newly Qualified Teachers

4.1. Newly Qualified Teachers (NQTs) appointed to the Council will be placed on the minimum point of the main pay range. On completion of induction, NQTs have no automatic right to pay progression. The evidence from induction will inform decisions about pay progression as part of the annual determination of teachers' pay.

5. Qualified Teachers

5.1. All qualified teachers, including FE Teachers with Qualified Teacher Learning and Skills (QTLS) status will be paid on the main pay range or upper pay range.

Main Pay Range

5.2. Qualified teachers will be paid on the main pay range. The Council have determined the main pay range and this is attached at appendix 5.

5.3. Newly appointed teachers to the Council will be placed on the minimum of the range. The service manager/head teacher may use their discretion to award further salary in appropriate circumstances having regard to any qualifications or experience they may have, which they consider to be of value and will base this decision on the following criteria:

- qualifications;
- added value to the service/educational provision;
- level of training required to fulfil the needs of the post;
- current salary;
- level of experience.

5.4. In exercising this discretion the service manager/head teacher will treat employees fairly and consistently, taking account of the requirements of equal opportunities legislation and will record the reasons for their decision. Points on the main pay range, once awarded, will not be taken away whilst at the Council.

Main Pay Range Progression

5.5. The Council's Teacher's Appraisal Policy ensures that a review against performance objectives and the Teachers' Standards (England) is undertaken annually with all main pay range teachers. The service manager/head teacher

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will report the conclusions of these performance appraisals with pay progression recommendations to the relevant service director.

- 5.6. The relevant service director will then determine whether or not to award any progression for all main pay range teachers who have completed a year of employment since the previous pay determination.
- 5.7. The Council has determined that main pay range teachers will progress through the pay range on the basis of 1 point per successful appraisal in accordance with the Council's Teachers Appraisal Policy.
- 5.8. The Council will not exercise its discretion to award additional points where the teacher's performance in the previous 12 months has been excellent having regard to all aspects of their professional duties.
- 5.9. The Council will not progress a main pay range teacher through the pay range when performance is determined as requiring a supportive action plan in accordance with the Council's Capability Policy and Procedure.

Progression on to the Upper Pay Range

- 5.10. The service manager/head teacher will accept applications once a year from teachers at any point on the main pay range to be paid on the upper pay range and applications must be received by 31 October.
- 5.11. It is the responsibility of the teacher to notify the service manager/head teacher that they wish to apply for the upper pay range and must provide the following:
 - evidence that they are highly competent in all elements of the relevant standards;
 - evidence of their contribution and achievements to the service/educational provision.
- 5.12. The service manager/head teacher will assess any application for progression to the upper pay range received and will make a recommendation to the relevant service director based on being satisfied that:
 - the qualified teacher is highly competent in all elements of the Teachers' Standards (England);
 - the qualified teacher has made substantial and sustained achievements and contributions to the service/educational provision.
- 5.13. Across the Council, this means:
 - "highly competent" - having excellent depth and breadth of knowledge, skill and understanding of the Teachers' Standards (England)
 - "substantial" - raising standards of teaching and learning whilst making a significant wider contribution to school improvement, which impacts on pupil progress and the effectiveness of staff and colleagues

The Procedure

- “sustained” - two consecutive successful appraisal reports and have made good progress towards performance objectives during this period.

5.14. The relevant service director will then determine by 30 November whether or not to progress main pay range teachers onto the upper pay range. Any decision made applies only to the teacher’s employment with the Council.

5.15. The Council has determined that all main pay range teachers successfully progressing to the upper pay range will be placed on the minimum point of the upper pay range.

5.16. Where main pay range teachers have been unsuccessful the service manager/head teacher will provide detailed feedback in writing by 31 December.

Upper Pay Range

5.17. The upper pay range will have 3 points as determined by the Council. The upper pay range is attached at appendix 4.

Progression within the Upper Pay Range

5.18. The relevant service director will determine annually whether or not to increase the salary of all upper pay range teachers who have completed a year of employment since the previous pay determination and will consider recommendations made by the service manager/ head teacher.

5.19. The relevant service director will award progression where there has been evidence of substantial and sustained high quality of performance taking into account:

- the achievement of, or good progress towards achieving, the performance criteria agreed in the appraisal plan;
- the sustained and significant contribution to the service;
- two consecutive successful performance appraisals.

5.20. The Council will not progress a teacher through the upper pay range when performance has been determined as requiring a supportive action plan in accordance with the Council’s Capability Policy and Procedure.

Acting Allowances

5.21. The Council may award an acting allowance to a teacher who, for a minimum period of one month, carries out the duties of any member of the leadership group.

5.22. Such an allowance would be assessed as though the teacher had been appointed to the substantive post. Payment will be made on the lowest point of

the appropriate pay range. Payment may be backdated to the commencement of the duties.

6. Supply Teachers

6.1. The Council has determined that supply teachers will be placed on the minimum of the main pay range. The service manager/head teacher has discretion to award further salary in appropriate circumstances having regard to any qualifications or experience they may have, which they consider to be of value and will base this decision on the following criteria:

- qualifications;
- added value to the service;
- current salary;
- level of experience.

6.2. Teachers employed on a day-to-day or other short notice basis will be paid on a daily basis calculated on a full working year consisting of 195 days. Periods of employment for less than a day will be calculated pro rata to the number of hours that the teacher is employed during the course of the school's timetabled teaching week.

7. Part Time Teachers Working Time Arrangements

7.1. Part time teachers will be paid on a pro rata basis as a proportion of the time a full time teacher works, based on the School Timetabled Teaching Week (STTW).

7.2. The STTW refers to the session hours that are timetabled for teaching, including PPA time and other non-contact time but excluding break times, registration and assemblies.

7.3. The STTW of a full time teacher is to be used as the figure for calculating the percentage for a part time teacher. The STTW will be reviewed and revised whenever the session times or the timetabled teaching week is amended.

8. Teachers - Additional Payments

Teaching and Learning Responsibility payments (TLR)

8.1. The Council will include teaching and learning responsibility posts on the service's structure for clearly defined and permanent additional responsibilities to ensure the continuous delivery of high quality teaching and learning. All responsibilities will be reviewed and evaluated regularly and job profiles will make clear the responsibilities for which a TLR is awarded.

8.2. TLR 1 and 2 posts will be established on a permanent basis and subject to review at the same time as the staffing structure is reviewed. The Council will

The Procedure

not establish a post which carries both TLR 1 and 2 responsibilities. However, on review it may be that the TLR payments are amended to reflect any permanent changes in responsibilities.

8.3. The Council has set the TLR Level 1 annual payments as:

£7,622 £9,380 £11,140 £12,898

8.4. The Council has set the TLR Level 2 annual payments as:

£2,640 £4,545 £6,450

8.5. Where TLR 1 and 2s are awarded to part-time teachers they will be paid pro rata at the same proportion as the teacher's part-time contract.

8.6. A teacher may hold a TLR 1 or 2 on a temporary basis where they are acting up in the absence of a permanent post holder. The details of this acting up arrangement will be confirmed in writing and in these circumstances there will be no entitlement to safeguarding when the arrangement ceases.

8.7. The service manager/head teacher will attach a TLR 3 to any teacher's post for a fixed term period for a defined service improvement project or a one-off externally driven responsibility.

8.8. The service manager/head teacher will determine the amount paid for a TLR 3 taking into account the nature and responsibility of the work involved. The service manager/head teacher will also establish the length of time required for completion at the outset. Payment for a TLR 3 will be made on a monthly basis for the duration of the fixed term period. On completion of the TLR 3 a teacher will not be entitled to safeguarding.

8.9. The Council has set the TLR Level 3 payments as:

£523 £1,563 £2,603

8.10. The Council will ensure that a written notification will be given at the time of appointment into a TLR 1 or 2 post or at the attachment of a TLR 3.

Recruitment and Retention Payments

8.11. Where the relevant service director has awarded a recruitment or retention incentive to the deputy or assistant head teachers under a previous Document, they may continue to make that payment, at its existing value, until such time as the deputy or assistant head teacher's pay range is re-determined under the Document.

8.12. The relevant service director has the discretion to make recruitment and retention payments to leading practitioners and teachers.

The Procedure

8.13. Payments for recruitment will only be made when all attempts to recruit a suitably qualified teacher have failed.

8.14. Payments for retention will only be made in the following circumstances:

- to retain a specialist skill, knowledge, experience that no other employee has and is required by the service/educational provision for its improvement plan;
- specialist knowledge which cannot be quickly passed on to a colleague; or
- where there will be a difficulty to recruit someone with that skill, knowledge or experience.

8.15. The Council has determined that the payments for recruitment and retention will be £2640 per annum.

8.16. The relevant service director will determine the period over which recruitment and retention payments are to be made and will specify the expected duration at the commencement of the payment. Any such payments will be regularly reviewed and will be withdrawn at the end of the specified duration unless there are exceptional circumstances to justify an extension.

8.17. The Council will ensure that a written notification will be given at the time of the payment being determined.

Special Educational Needs (SEN) Allowance

8.18. The Council will award an SEN allowance of not less than £2,085 and not more than £4,116 per annum to a teacher.

8.19. In normal circumstances, the allowance for SEN will be awarded at the minimum value. For a particular shortage of skills, the service manager/head teacher will use their discretion to determine a higher value taking into account:

- whether any mandatory qualifications (visually, hearing impaired or autism qualification) are required for the post;
- the qualifications or expertise of the teacher relevant to the post;
- the relative demands of the post.

8.20. The service manager/head teacher will award a SEN Allowance to a classroom teacher who is:

- teaching pupils in one or more designated special classes or units in the service/educational provision (£2,085);
- in any SEN post that requires a mandatory SEN qualification (not the National Award for Special Educational Needs Co – ordination which should be included in a TLR payment) (£3,061).

8.21. The SEN Allowance will have 2 spot values as determined by the Council and shown above.

Unqualified Teacher's Allowance

8.22. The Council has determined an additional allowance of not more than £2,640 per annum will be paid to an unqualified teacher where the service manager/head teacher considers the teacher has:

- taken on a sustained additional responsibility which is focused on teaching and learning and requires the teacher to exercise their professional skills and judgement; or
- qualifications or experience which brings added value.

Payment for Initial Teacher Training (ITT) Activities

8.23. The Council may make an additional payment to teachers, including members of the leadership group (excluding the head teacher and any leading practitioner), for activities related to the provision of ITT.

8.24. ITT activities might include supervising and observing teaching practice, giving feedback to students on their performance and acting as professional mentors, running seminars or tutorials on aspects of the course and formally assessing students' competence.

8.25. Leading practitioners are not eligible for this additional payment as it is a requirement of their role in school and therefore should be taken into consideration when determining their pay range. Payment would not be appropriate to assist in the mentoring and training of newly appointed employees.

8.26. Responsibilities for ITT activities may be included in a TLR role. However, this would not result in the payment as detailed below.

8.27. Payment for activities related to the provision of ITT as part of the ordinary conduct of the school will be determined by the service manager/head teacher taking into account the level of funding available to the Council by virtue of its partnership with a higher education institution. Such payments will be made at the daily rate of 1/195 or at a percentage of the daily rate.

Out of School Hours Learning Activity

(i.e. booster classes, homework clubs, summer schools, etc.)

8.28. The Council will pay teachers, excluding the head teacher, who participate in out-of-school hours learning activities provided:

- the teacher has been asked by the service manager/head teacher to participate in such activity and has agreed to do so;
- the teacher has made a substantial and, where appropriate, regular commitment to such activity;
- such activity has taken place outside the 1265 directed hours of working.

The Procedure

8.29. The basis on which this payment is made by the Council to the teacher will be reviewed on a regular basis. Payment will be based at a pro rata rate of 1/1265 hours.

Payment for Continuing Professional Development

8.30. The Council has the discretion to award to teachers, excluding the head teacher, an additional payment for undertaking voluntary continuing professional development at weekends or in school holidays where:

- the teacher has been asked by service manager/head teacher to participate in such activity and has agreed to do so;
- the teacher has made a substantial and, where appropriate, regular commitment to such activity;
- such activity has taken place outside the 1265 directed hours of working.

8.31. The basis on which such payment is made by the Council to the teacher will be reviewed on a regular basis. Payment will be based at a daily rate of 1/195 or at a percentage of the daily rate.

9. Safeguarding - Teachers

9.1. The Council will apply the safeguarding principles to all teachers in accordance with the Document.

10. Appeals

10.1. All teachers employed in the Council may appeal against a pay determination or any other decision that affects their pay. All teachers should understand that any decision made under the appeals process is final and there is no further right of appeal or recourse under the Council's grievance policy and procedure.

Reasons for Appeal

10.2. All pay determinations for teachers will be based upon the Document. Decisions on pay determination and the basis on which the decision has been made will always be confirmed in writing. Appeals against the decision of the relevant service director will normally fall within, but are not limited to, the following areas:

- incorrectly applying the Document;
- incorrectly applying the Council's Centrally Employed Teachers' Pay Policy;
- failure to have regard for statutory guidance;
- failure to take proper account of relevant evidence;
- potentially biased;

The Procedure

- taking account of irrelevant or inappropriate evidence; or
- potentially discriminating against the employee.

Appeals Process

10.3. If a teacher is not satisfied with the written pay determination they must:

- set out in writing their grounds for appeal;
- address their written appeal to the relevant strategic director;
- submit their written appeal within 10 working days of receipt of their written pay determination.

10.4. The relevant strategic director will convene a meeting to hear the appeal within 20 working days of receipt of the written appeal and the teacher will be notified in writing of the date of the meeting and be notified of their right to be represented by their trade union representative or work colleague.

10.5. The teacher will offer an alternative date within 5 working days of the original date if they or their chosen trade union representative or work colleague has a justifiable reason to not be available for the original date.

10.6. Any relevant written documentation that will be referred to, including the written appeal letter, will be circulated to all parties at least 5 working days before the meeting.

10.7. At the meeting, the relevant strategic director will hear representations from the relevant service director and the teacher concerned. All parties will be given the opportunity to ask questions of each other and to summarise their representations. The relevant strategic director will then adjourn and review the original pay determination based on the evidence provided and the criteria set in the Council's pay policy. The relevant strategic director will either dismiss the appeal or refer the teacher's pay determination back to the relevant service director for redetermination.

10.8. The relevant strategic director's decision will be confirmed in writing to the teacher within 5 working days of the appeal meeting.

Appendix 1

Leadership Pay Range – Executive/Head Teachers

Group 1

L6	44,102
L7	45,290
L8	46,335
L9	47,492
L10	48,711
L11	49,976
L12	51,127
L13	52,405
L14	53,712
L15	55,049
L16	56,511
L17	57,810
L18a	58,677

Group 2

L8	46,335
L9	47,492
L10	48,711
L11	49,976
L12	51,127
L13	52,405
L14	53,712
L15	55,049
L16	56,511
L17	57,810
L18	59,264
L19	60,733
L20	62,240
L21a	63,147

Group 3

L11	49,976
L12	51,127
L13	52,405
L14	53,712
L15	55,049
L16	56,511
L17	57,810
L18	59,264
L19	60,733
L20	62,240
L21	63,779
L22	65,363
L23	66,982
L24a	67,963

Appendix 1

Group 4

L14	53,712
L15	55,049
L16	56,511
L17	57,810
L18	59,264
L19	60,733
L20	62,240
L21	63,779
L22	65,363
L23	66,982
L24	68,643
L25	70,349
L26	72,089
L27a	73,144

Group 5

L18	59,264
L19	60,733
L20	62,240
L21	63,779
L22	65,363
L23	66,982
L24	68,643
L25	70,349
L26	72,089
L27	73,876
L28	75,708
L29	77,583
L30	79,514
L31a	80,671

Group 6

L21	63,779
L22	65,363
L23	66,982
L24	68,643
L25	70,349
L26	72,089
L27	73,876
L28	75,708
L29	77,583
L30	79,514
L31	81,478
L32	83,503
L33	85,579
L34	87,694
L35a	88,984

Appendix 1

Group 7

L24	68,643
L25	70,349
L26	72,708
L27	73,876
L28	75,708
L29	7,7583
L30	79,514
L31	81,478
L32	83,503
L33	85,579
L34	87,694
L35	89,874
L36	92,099
L37	94,389
L38	96,724
L39a	98,100

Group 8

L28	75,708
L29	77,583
L30	79,514
L31	81,478
L32	83,503
L33	85,579
L34	87,694
L35	89,874
L36	92,099
L37	94,389
L38	96,724
L39	99,081
L40	101,554
L41	104,091
L42	106,699
L43	108,283

Appendix 2

Leadership Pay Range – Deputy/Assistant Head Teachers

D1	38,984
D2	39,960
D3	40,958
D4	41,978
D5	43,023
D6	44,102
D7	45,290
D8	46,335
D9	47,492
D10	48,711
D11	49,976
D12	51,127
D13	52,405
D14	53,712
D15	55,049
D16	56,511
D17	57,810
D18	59,264
D19	60,733
D20	62,240
D21	63,779
D22	65,363
D23	66,982
D24	68,643
D25	70,349
D26	72,089
D27	73,876
D28	75,708
D29	77,583
D30	79,514
D31	81,478
D32	83,503
D33	85,579
D34	87,694
D35	89,874
D36	92,099
D37	94,389
D38	96,724
D39	99,081
D40	101,554
D41	104,091
D42	106,699
D43	108,283

Appendix 3

Leadership Pay Range - Leading Practitioners

P1	38,984
P2	39,960
P3	40,958
P4	41,978
P5	43,023
P6	44,102
P7	45,290
P8	46,335
P9	47,492
P10	48,711
P11	49,976
P12	51,127
P13	52,405
P14	53,712
P15	55,049
P16	56,511
P17	57,810
P18	59,264

Appendix 4

Unqualified Pay Range

1	16,461
2	18,376
3	20,289
4	22,204
5	24,120
6	26,034

Main Pay Range

M1	22,467
M2	24,243
M3	26,192
M4	28,207
M5	30,430
M6	33,160

Upper Pay Range

U1	35,571
U2	36,889
U3	38,250

TITLE OF REPORT:	Revision to the Early Retirement/Redundancy Payments for Teachers and members of the Teachers' Pension Scheme
REPORT OF:	Mike Barker, Strategic Director, Corporate Services and Governance Darren Collins, Strategic Director, Corporate Resources Sheila Lock, Interim Strategic Director, Care, Wellbeing and Learning

Purpose of the Report

1. To recommend Council to agree a revised early retirement/redundancy payments policy for employees who are members of the Teachers' Pension Scheme (TPS).

Background

2. The Council's Early Retirement Scheme for Teachers approved in 2004 allows employees aged 55 years and over to apply for retirement. Employees who do retire before their normal retirement age will receive an actuarially reduced pension from TPS. Where approval is given for the employee to retire with actual service, the Council pays the difference between the actuarially reduced pension and the actual service pension (mandatory compensation) and if the employee is a teacher at an individual school the school reimburses the Council.
3. The Council's 2004 scheme also allows for employees aged 55 and over who leave on the grounds of redundancy to receive pension at their actual service and an augmentation to their pension (discretionary compensation) by way of a table of added years dependent upon their length of service with Gateshead Council, and a redundancy payment based on the statutory table of weeks and pay. The mandatory compensation and discretionary compensation costs are directly paid by the Council over the course of the lifetime of the retired employee, rather than calculating a strain on the fund lump sum to reimburse the TPS. In that respect the cost is spread out over a number of years.
4. As redundancy is considered a dismissal under employment legislation, the Council, not the school, funds the compensation payments as well as the redundancy payment as the Education Act stipulates that costs incurred in the respect of dismissal or premature retirement of any member of school staff shall not be met by the school's budget unless there is good reason to do so.
5. In 2015/16 there was an overspend of £0.327m against the budget of £2.987m for compensation costs (11% overspend). Although in the last few years the overall number of pensioners supported by the authority has dropped by 4% (46 pensioners) from the 1,069 pensioners supported in 2014/15, the reduction is offset against the inflationary increases required to be applied to pension payments each year (April 2015 CPI indexation was 0.3%).

6. There have been amendments to the Council's Early Retirement Scheme for LGPS members and the Redundancy Policy to include enhanced redundancy payments for non-teaching employees. However, there have been no proposals made to remove the augmentation to actual service or to enhance the redundancy payment for employees who are members of the TPS.

Proposal

7. The early retirement/redundancy payments policy for members of the TPS as proposed in Appendix 2 sets out the regulations and relevant procedures ensuring compliance with the TPS Regulations 2014 and the Teachers' (Compensation for Redundancy and Premature Retirement) Regulations 2015.
8. The main changes are to:
 - cease to release pension when the employee leaves on the grounds of redundancy; and
 - enhance the redundancy pay table and calculate redundancy payments using actual weekly wage. The redundancy payment will be calculated using the Council's enhanced redundancy payment table.

Recommendations

9. It is recommended that the attached draft policy is agreed by Cabinet and referred to the Council for approval.

For the following reason:

To reduce the deficit on the compensation budgets therefore contributing towards the Council's effective financial planning and medium term financial sustainability.

Policy Context

1. The proposed amendments to the Early Retirement and Redundancy Payments Policy will allow the Council to properly manage the severance arrangements for employees who are members of the TPS in circumstances where voluntary redundancy and early retirement in the interests of the efficiency of the service/ schools need to be considered.

Background

2. When a member of the TPS requests early retirement, the Governing Body and/or the Council can approve to release the pension based on the actual service of the employee. Where this approval is given the school/Council funds the difference between the actuarially reduced pension (paid directly by the TPS) and the actual service pension. This is known as mandatory compensation and is paid on a monthly basis directly to the employee. As schools would have to fund this from their own school budget, no teacher has been given early retirement with actual service since the introduction of the 2004 Early Retirement Policy for Teachers.
3. Where members of the TPS have been made redundant, they have been made on the basis that the Council will release their pension based on their actual service, and for teachers who have worked continuously for Gateshead Council for 5 or more years they have had their service augmented by a number of added years that increases with their length of service. This augmentation is known as a discretionary payment and paid on top of the mandatory compensation. Teachers have also had a redundancy payment made to them based on the statutory table of weeks and statutory weekly wage.
4. As redundancy is considered a dismissal under employment legislation the Council, not the school, funds the mandatory and discretionary compensation payments as well as the redundancy payment as the Education Act stipulates that costs incurred in the respect of dismissal or premature retirement of any member of school staff shall not be met by the school's budget unless there is good reason to do so.
5. Mandatory and discretionary compensations are paid for the lifetime of the employee and on their death to the surviving spouse/partner. These costs are met from the Council's Premature Retirement Costs budget heading which has been over spent by £584,000 in 2013/14, £621,000 in 2014/15 and £327,000 in 2015/16.
6. Youth and Community Workers employed by the Council are also members of the TPS and have their pension released based on actual service. At present the augmentation of added years is not applied to these employees; however, they are given redundancy payments based on the Council's enhanced redundancy payment table.
7. Changes to the TPS regulations clarifies that redundancy payments based on enhanced weeks and salary are prohibited if pension is to be released at actual service. Therefore the arrangements for Youth and Community Workers need to be amended in line with the TPS regulations.

Consultation

8. Consultation has occurred with the trade unions has taken place with regards to this proposal. Whilst they recognised that this would negatively impact their members they understood the reasons for the proposal and that this brought the Council in line with other local authorities.
9. The Cabinet members for Children and Young People and the Leader have been consulted on the proposals.

Alternative Options

10. The alternative options would result in the Council not complying with the TPS regulations and/or not achieving the required budget savings.

Implications of Recommended Option

11. Resources:

- a) **Financial Implications** – There are no financial implications arising from this report. In fact it will reduce the overspend within this budget heading.
- b) **Human Resources Implications** – The removal of releasing pension at actual service with added years may impact on the number of volunteers for redundancy across the schools and increase the number of compulsory redundancies.
- c) **Property Implications** - There are no property implications arising from this report.

12. **Risk Management Implication** - There are no risk management implications from this report.

13. **Equality and Diversity Implications** - There are no equality and diversity implications arising from this report, in fact this will ensure that members of the TPS across the Council/schools are treated equally.

14. **Crime and Disorder Implications** – There are no crime and disorder implications arising from this report.

15. **Health Implications** – There are no health implications arising from this report.

16. **Sustainability Implications** - There are no sustainability implications arising from this report.

17. **Human Rights Implications** - There are no human rights implications arising from this report.

18. **Area and Ward Implications** - There are no area and ward implications arising from this report.

Background Information - TPS Regulations 2014 and the Teachers' (Compensation for Redundancy and Premature Retirement) Regulations 2015



Teachers' Pension Scheme (TPS) Members Retirement/Redundancy Payments Policy

Index

Retirement/Redundancy Payments Policy Statement

1. The Aim of the Policy
2. Definition of Retirement
3. Application of the Policy
4. Commitments.
5. Retirement Options
6. Redundancy Payments
7. Repayment of Public Sector Exit Payments
8. Exit Payment Cap

Retirement/Redundancy Payments Policy Statement

1. The Aim of the Policy

- 1.1. The Council regards its employees as essential to the successful delivery of excellent services to the public. An integral part of the workforce planning required to ensure the delivery of those services is the Council's approach to, and policy regarding, retirement. The objective of this policy is to allow the Council to consider the retirement or redundancy of employees who are members of the Teachers' Pension Scheme (TPS) as part of its workforce planning process in an effective, fair and consistent manner.
- 1.2. In applying the policy the Council reserves the right to determine how the various options presented within the policy will be applied to each of its pensionable employees.

2. Definition

- 2.1. Retirement is defined as all circumstances where a pensionable member of the TPS terminates/amends their employment with the Council and accesses their pension benefits through the options described in this policy.
- 2.2. A redundancy payment is defined as a payment in compensation of an employee being dismissed due to:
 - the employer closing the business or Service, or
 - the employer closing the employee's workplace, or
 - there is a diminishing need for employees to do work of a particular kind.

3. Application of the Policy

- 3.1. The retirement and redundancy payment provisions within this policy apply to all employees, who are aged 55 or over and are members of the TPS. This includes employees who are employed by the Council and those appointed by school governing bodies.
- 3.2. Retirement under any option within this policy shall not be used as a substitute for premature retirement on the grounds of permanent ill health.
- 3.3. It should be noted that this policy cannot override the various regulations which may be applicable in any individual circumstance.

4. Commitments

In situations where an employee meets the criteria for any of the options outlined within this policy, the Council will ensure that:

- employees are treated in a fair and consistent manner;

- communication between employees, their managers, head teachers, governing bodies and trade unions is maintained;
- TPS regulations are adhered to;
- in cases of redundancy the Council's redundancy payment scheme is adhered to.

Employees must ensure that they:

- adhere to the procedures laid down within this policy and the relevant redundancy policy and procedure;
- provide accurate and timely information as required;
- continue to perform their role in an effective manner, with satisfactory levels of conduct and performance.

5. Retirement Options

Voluntary Retirement

- 5.1. Under the TPS Regulations 2014, it is possible for an employee to retire on or after their 55th birthday but before their normal pension age (NPA) and draw their actuarially adjusted pension benefits immediately. The Council has to give consent to this release of pension. If the Council withholds consent this can only be withheld for a maximum period of 6 months. The pension paid will be reduced on an actuarial basis depending on the individual circumstances of the employee retiring.
- 5.2. Applications to receive a pension under voluntary early retirement must be made online to TPS via their website.

Premature (early) retirement on the grounds of business efficiency

- 5.3. Where there is a need by the Council to terminate the employment of an employee on the grounds of business efficiency and the employee is aged 55 or over, their employment may be terminated by mutual consent with immediate release of their retirement pension benefits.
- 5.4. Regulations require that where premature retirement is granted, pension benefits will be paid in full and the Council or school will meet the mandatory compensation costs.
- 5.5. Where employment is terminated by mutual consent on the grounds of business efficiency, the Council or school reserves the right to award additional pension within the scope of the Teachers (Compensation for Redundancy and Premature Retirement) Regulations 2015 to the employee. Each case will be considered on its own facts and when considering each case, the personal, financial and service delivery implications will be assessed.
- 5.6. Any decision to award additional pension must take into account the Annual Allowance. If the difference in value of the annual pension plus lump sum at the start of the financial year x 16 x CPI and the annual pension plus lump sum at the end of the year x 16 is greater than the Annual Allowance, there will be significant tax implications for the employee.

Phased Retirement

- 5.7. Phased retirement is seen as the pathway to full retirement for an employee, while allowing for effective succession planning for the Council or school. As such, phased retirement applications will be considered in that context.
- 5.8. Employees aged 55 or over can apply to draw up to 75% of their actuarially adjusted retirement pension benefits whilst remaining in employment and have the option of building up further pension benefits.
- 5.9. The phased retirement must result in a reduction of at least 20% of the employee's average annual rate of their pensionable earnings for the previous 6 months. This can be achieved by an employee either reducing their hours in their substantive post and/or moving to a lower graded post for a minimum period of 12 months.

Ill health retirement

- 5.10. If an employee has 2 years or more qualifying service and their employment is terminated on grounds of ill-health, before their NPA a pension will be payable where TPS have certified that the employee meets one of the 2 tiers of ill health retirement.
- 5.11. Tier 1
Ill-Health pension based on an employee's accrued benefit in the scheme is payable if the employee is assessed by TPS as meeting the 'incapacity condition' i.e. 'incapacitated' and is likely to be 'incapacitated permanently'. This is where an employee is permanently unable to teach, but may be able to undertake other work up to their NPA
- 5.12. Tier 2
An enhancement known as 'total incapacity benefit' or 'total incapacity pension' where the employee meets the 'total incapacity condition' and they are assessed as not only being permanently unable to teach but are also unable to undertake any 'gainful employment'* up to their NPA. *Gainful employment is defined as an employee's ability to carry out any work is impaired by more than 90% and is likely to be impaired by more than 90% permanently
- 5.13. Accrued benefits and the total incapacity enhancement are paid as two separate pensions. If an employee's health recovers in the future enough to undertake gainful employment, the total incapacity pension (Tier 2) will cease, but the accrued benefits (Tier 1) will only cease if an employee becomes fit to teach. Any re-employment which an employee undertakes after ill health retirement must be notified to TPS.
- 5.14. Applications for ill health retirement benefits must be made whilst in employment or within 2 years of leaving pensionable service in order to be considered for Tier 1 or Tier 2. An employee must, in conjunction with the Council/school, complete the application for ill health retirement benefits form and the application for ill health retirement benefits – medical information and notes form which are available on the TPS website.

- 5.15. Employees, who have more than 1 but less than 2 years pensionable service and have a life expectancy of less than 12 months, may apply for a one off payment called a short service incapacity grant. This application must be made within 6 months of leaving pensionable employment and directly to TPS.
- 5.16. Former employees who have been out of pensionable service for more than 2 years can apply directly to TPS for out-of-service ill health retirement benefits.

Normal Pensionable Age

- 5.17. The Council does not have a default retirement age (DRA). The previous DRA of 65 was abolished by statute in 2011. Employees can remain in their post indefinitely provided they remain capable of carrying out their role to the standard expected by the Council/school.
- 5.18. For employees in the final salary arrangement before 1 January 2007, their normal pensionable age is 60 subject to their individual circumstances. For those employees who entered pensionable service after 1 January 2007, their normal pensionable age is 65. For any employee in the career average arrangements, their normal pensionable age is their state pension age or 65 whichever is the later date.
- 5.19. Pension benefits must be applied for before the employee's 75th birthday and paid from the 75th birthday.

6. Redundancy Payments

- 6.1. For any proposals that include redundancy the Council/school will confirm that a post is redundant and that this post is deleted from the establishment of the service/school. Where an employee is notified of their redundancy and alternative employment of a similar and appropriate type is not available, the employee will receive a redundancy payment.
- 6.2. Employees will qualify for a redundancy payment if they have at least 2 years' continuous service at the date of redundancy. The same benefits and entitlements will be offered regardless of whether the redundancy is 'voluntary' or 'compulsory'.
- 6.3. Redundancy payments are based on the statutory redundancy pay table and are subject to an employee's age and length of service. For each complete year of service, up to a maximum of 20, employees are entitled to:
 - for each year of service under 22 years old – ½ a week's pay
 - for each year of service at age 22 but under 41 - 1 week's pay
 - for each year of service at age 41 or over – 1.5 weeks' pay.
- 6.4. The Council exercises its discretion to apply a multiplier of 1.25 times the number of weeks' pay given in the statutory redundancy pay table, giving a maximum of 37.5 weeks' pay. In addition the Council exercises its discretion to use actual pay in the calculation of weekly pay. This provides for a discretionary compensation payment which is inclusive of any statutory redundancy payment. The Council's Redundancy Pay Table is attached at appendix 1.

- 6.5. Employees aged over 65 will qualify for a redundancy payment if the reason for their dismissal is redundancy.
- 6.6. All employees who are entitled to receive a redundancy payment will be given written notification of the way in which their redundancy payment has been calculated. All redundancy payments made by the Council will be paid no sooner than 5 working days, and no later than 10 working days after the employee's date of redundancy.

Calculation of a week's pay

- 6.7. A week's pay is that which the employee is entitled to under the terms of their contract. This may include implied terms that have been established via regular payments and by custom and practice. As such it does not just include terms (payment entitlements) written into the employee's contract of employment. It will for example, include those payments received where the employee has worked the same pattern over a period of at least 12 weeks prior to the termination date.
- 6.8. The calculation date is the date on which the employment is terminated.
- 6.9. As described, if the employee's pay varies (such as the regular receipt of additional hours), the amount of a week's contractual pay is averaged over the 12 weeks prior to the calculation date.

Statutory Maternity / Adoption Pay

- 6.10. Once an employee has qualified for statutory maternity/adoption pay she will be eligible to be paid for the full 39 week period even if she is made redundant during her maternity leave. For example, if the qualifying week begins on 1st January, and the woman is dismissed after this date she will still be entitled to statutory maternity pay even if she was not planning to start her maternity/adoption leave until closer to her expected date of childbirth.
- 6.11. If an employee is on maternity/adoption leave when they are made redundant they will not be required to refund the any of the maternity/adoption payments already made.

Multiple Contracts

- 6.12. Where an employee has multiple contracts with the Council/school at the point of redundancy, the start date in the contract that they are being made redundant from is used to calculate their redundancy payment. Where an employee has had multiple contracts but only has one contract at the time of redundancy, then their start date in their very first contract is used for calculating their redundancy payment, taking into account any relevant previous continuous service.

Pension

- 6.13. Employees aged 55 or over who volunteer or are selected for redundancy, and are a member of the TPS, will not be automatically entitled to early release of their

pension benefits as from their date of redundancy. Employees can apply to TPS for the release of their actuarially adjusted pension benefits.

7. Repayment of Public Sector Exit Payments

- 7.1. The government intends to introduce legislation (The Repayment of Public Sector Exit Payments Regulations 2016), whereby any former employee who earned at least £80,000 per annum and who returns to work anywhere in the public sector within a year of leaving, including under a contract for services, is required to repay a proportion of their exit payment. The repayment liability reduces proportionately over the subsequent 365 days.

8. Exit Payment Cap

- 8.1. The government intends to introduce legislation capping exit payments, including redundancy payments and the cost to the employer of any strain on the pension fund. The proposed limit is £95,000. Further detail is awaited and this policy will be updated in accordance with the legislation when enacted.

Age	Service (Years)																			
	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
17	1.25																			
18	1.25	1.875	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	1.25	1.875	2.5	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20	1.25	1.875	2.5	3.125	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21	1.25	1.875	2.5	3.125	3.75	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22	1.25	1.875	2.5	3.125	3.75	4.375	0	0	0	0	0	0	0	0	0	0	0	0	0	
23	1.875	2.5	3.125	3.75	4.375	5	5.625	0	0	0	0	0	0	0	0	0	0	0	0	
24	2.5	3.125	3.75	4.375	5	5.625	6.25	6.875	0	0	0	0	0	0	0	0	0	0	0	
25	2.5	3.75	4.375	5	5.625	6.25	6.875	7.5	8.125	0	0	0	0	0	0	0	0	0	0	
26	2.5	3.75	5	5.625	6.25	6.875	7.5	8.125	8.75	9.375	0	0	0	0	0	0	0	0	0	
27	2.5	3.75	5	6.25	6.875	7.5	8.125	8.75	9.375	10	10.625	0	0	0	0	0	0	0	0	
28	2.5	3.75	5	6.25	7.5	8.125	8.75	9.375	10	10.625	11.25	11.875	0	0	0	0	0	0	0	
29	2.5	3.75	5	6.25	7.5	8.75	9.375	10	10.63	11.25	11.875	12.5	13.125	0	0	0	0	0	0	
30	2.5	3.75	5	6.25	7.5	8.75	10	10.63	11.25	11.875	12.5	13.125	13.75	14.375	0	0	0	0	0	
31	2.5	3.75	5	6.25	7.5	8.75	10	11.25	11.88	12.5	13.125	13.75	14.375	15	15.625	0	0	0	0	
32	2.5	3.75	5	6.25	7.5	8.75	10	11.25	12.5	13.125	13.75	14.375	15	15.625	16.25	16.875	0	0	0	
33	2.5	3.75	5	6.25	7.5	8.75	10	11.25	12.5	13.75	14.375	15	15.625	16.25	16.875	17.5	18.125	0	0	
34	2.5	3.75	5	6.25	7.5	8.75	10	11.25	12.5	13.75	15	15.625	16.25	16.875	17.5	18.125	18.75	19.375	0	
35	2.5	3.75	5	6.25	7.5	8.75	10	11.25	12.5	13.75	15	16.25	16.875	17.5	18.125	18.75	19.375	20	20.625	
36	2.5	3.75	5	6.25	7.5	8.75	10	11.25	12.5	13.75	15	16.25	17.5	18.125	18.75	19.375	20	20.625	21.25	
37	2.5	3.75	5	6.25	7.5	8.75	10	11.25	12.5	13.75	15	16.25	17.5	18.75	19.375	20	20.625	21.25	21.875	
38	2.5	3.75	5	6.25	7.5	8.75	10	11.25	12.5	13.75	15	16.25	17.5	18.75	20	20.625	21.25	21.875	22.5	
39	2.5	3.75	5	6.25	7.5	8.75	10	11.25	12.5	13.75	15	16.25	17.5	18.75	20	21.25	21.875	22.5	23.125	
40	2.5	3.75	5	6.25	7.5	8.75	10	11.25	12.5	13.75	15	16.25	17.5	18.75	20	21.25	22.5	23.125	23.75	
41	2.5	3.75	5	6.25	7.5	8.75	10	11.25	12.5	13.75	15	16.25	17.5	18.75	20	21.25	22.5	23.75	24.375	
42	3.125	4.375	5.625	6.875	8.125	9.375	10.63	11.88	13.13	14.375	15.625	16.875	18.125	19.375	20.625	21.875	23.125	24.375	25.625	
43	3.75	5	6.25	7.5	8.75	10	11.25	12.5	13.75	15	16.25	17.5	18.75	20	21.25	22.5	23.75	25	26.25	
44	3.75	5.625	6.875	8.125	9.375	10.63	11.88	13.13	14.38	15.625	16.875	18.125	19.375	20.625	21.875	23.125	24.375	25.625	26.875	
45	3.75	5.625	7.5	8.75	10	11.25	12.5	13.75	15	16.25	17.5	18.75	20	21.25	22.5	23.75	25	26.25	27.5	
46	3.75	5.625	7.5	9.375	10.63	11.88	13.13	14.38	15.63	16.875	18.125	19.375	20.625	21.875	23.125	24.375	25.625	26.875	28.125	
47	3.75	5.625	7.5	9.375	11.25	12.5	13.75	15	16.25	17.5	18.75	20	21.25	22.5	23.75	25	26.25	27.5	28.75	
48	3.75	5.625	7.5	9.375	11.25	13.13	14.38	15.63	16.88	18.125	19.375	20.625	21.875	23.125	24.375	25.625	26.875	28.125	29.375	
49	3.75	5.625	7.5	9.375	11.25	13.13	15	16.25	17.5	18.75	20	21.25	22.5	23.75	25	26.25	27.5	28.75	30	
50	3.75	5.625	7.5	9.375	11.25	13.13	15	16.88	18.13	19.375	20.625	21.875	23.125	24.375	25.625	26.875	28.125	29.375	30.625	
51	3.75	5.625	7.5	9.375	11.25	13.13	15	16.88	18.75	20	21.25	22.5	23.75	25	26.25	27.5	28.75	30	31.25	
52	3.75	5.625	7.5	9.375	11.25	13.13	15	16.88	18.75	20.625	21.875	23.125	24.375	25.625	26.875	28.125	29.375	30.625	31.875	
53	3.75	5.625	7.5	9.375	11.25	13.13	15	16.88	18.75	20.625	22.5	23.75	25	26.25	27.5	28.75	30	31.25	32.5	
54	3.75	5.625	7.5	9.375	11.25	13.13	15	16.88	18.75	20.625	22.5	24.375	25.625	26.875	28.125	29.375	30.625	31.875	33.125	
55	3.75	5.625	7.5	9.375	11.25	13.13	15	16.88	18.75	20.625	22.5	24.375	26.25	27.5	28.75	30	31.25	32.5	33.75	
56	3.75	5.625	7.5	9.375	11.25	13.13	15	16.88	18.75	20.625	22.5	24.375	26.25	28.125	29.375	30.625	31.875	33.125	34.375	
57	3.75	5.625	7.5	9.375	11.25	13.13	15	16.88	18.75	20.625	22.5	24.375	26.25	28.125	30	31.25	32.5	33.75	35	
58	3.75	5.625	7.5	9.375	11.25	13.13	15	16.88	18.75	20.625	22.5	24.375	26.25	28.125	30	31.875	33.125	34.375	35.625	
59	3.75	5.625	7.5	9.375	11.25	13.13	15	16.88	18.75	20.625	22.5	24.375	26.25	28.125	30	31.875	33.75	35	36.25	
60	3.75	5.625	7.5	9.375	11.25	13.13	15	16.88	18.75	20.625	22.5	24.375	26.25	28.125	30	31.875	33.75	35.625	36.875	
61+	3.75	5.625	7.5	9.375	11.25	13.13	15	16.88	18.75	20.625	22.5	24.375	26.25	28.125	30	31.875	33.75	35.625	37.5	

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TITLE OF REPORT: Responses to Consultation

REPORT OF: Mike Barker, Acting Chief Executive

Purpose of the Report

1. To endorse the responses to the following consultation:
 - Boundary Review 2018 – Boundary Commission - appendix 1

Background

2. The background to the consultation and response is set out in appendix 1.

Proposal

3. To endorse the response set out in appendix 1.

Recommendation

4. It is recommended that Cabinet endorses the consultation response set out in appendix 1.

For the following reason:

To enable the Council to contribute a response to the consultation.

CONTACT: Kevin Ingledew extension: 2142

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Boundary Review 2018 – Boundary Commission

Policy Context

1. Vision 2030 and the Council Plan set out our aims to ensure equality of opportunity for everyone in Gateshead, ensuring that all residents and businesses can fulfil their potential. This involves ensuring that the needs and aspirations of all local people are responded to through democratically elected and accountable representatives.

Background

2. The Boundary Commission for England (the Commission) is an independent and impartial non-departmental public body which is responsible for reviewing Parliamentary boundaries in England. The Commission is currently conducting a review (the 2018 Review) on the basis of rules laid down in the Parliamentary Voting System and Constituencies Act 2011 (the 2011 Act).
3. The 2011 Act prescribes that there will be 600 constituencies for the United Kingdom, down from the current 650. A prescribed mathematical formula has determined the number of constituencies allocated to England for the 2018 Review is 501. Two of these constituencies are expressly reserved for the Isle of White. The Commission has subdivided the remaining constituencies between the regions used for European elections and the allocated number of constituencies for the North East is down from 29 to 25.
4. The 2011 Act requires that, subject to specified exceptions, every constituency must have an electorate that is no less than 95% and no more than 105% of the 'UK electoral quota'. The UK electoral quota is 74,769 meaning that no constituency can have an electorate smaller than 71,031 or larger than 78,507.
5. The 2011 Act states that when establishing a new map of constituencies the Commission may take the following into account:
 - Special geographical considerations (including the size, shape and accessibility of the constituency)
 - Local government boundaries as they existed on 7 May 2015
 - Boundaries of existing constituencies
 - Any local ties which would be broken by changes in constituencies.
6. The Commission published its initial proposals on 13 September 2016 and those relating to Gateshead are detailed below;
 - **Blaydon BC** – Blaydon, Crawcrook & Greenside, Dunston Hill & Whickham East, Ryton Crookhill & Stella, Whickham North, Whickham South & Sunnyside
 - **Gateshead BC** – Bridges, Chowdene, Deckham, Dunston & Teams, Felling, High Fell, Lobley Hill & Bensham, Low Fell, Pelaw & Heworth, Saltwell, Windy Nook & Whitehills
 - **Jarrow BC** – Wardley & Leam Lane,
 - **North Durham & Chester-Le-Street CC** – Lamesley

- **Sunderland West BC** – Birtley
- **West Durham and Teesdale CC** – Chopwell & Rowlands Gill, Winlaton & High Spen

7. The Council's proposed response is set out in the attached annex.

Consultation

8. The proposals were considered by the Leader and the Corporate Resources Advisory Group on 17 October 2016.

Alternative Options

9. The Council could accept the Commission's initial proposals and choose not to respond to the consultation.

Implications of Recommended Option

10. **Resources:**

- a) **Financial Implications** – None
- b) **Human Resources Implications** – None
- c) **Property Implications** - None

11. **Risk Management Implication** - None

12. **Equality and Diversity Implications** - None

13. **Crime and Disorder Implications** – None

14. **Health Implications** - None

15. **Sustainability Implications** - None

16. **Human Rights Implications** - None

17. **Area and Ward Implications** - None

Background Information

18. The following documents have been used in preparing this report

- The Boundary Commission for England – A guide to the 2018 Review
- The Boundary Commission for England – Initial Proposals for the North East
- The Parliamentary Voting System and Constituencies Act 2011

Parliamentary Boundary Review 2018

Response to the initial proposals of the Boundary Commission for England

1. Introduction

- 1.1. The initial proposals by the Boundary Commission for England (the Commission) set out what might be described as wholesale changes to the Parliamentary electoral arrangements for the North East region. In response to the consultation on these proposals, this submission highlights a range of implications in relation to Gateshead and its residents and identifies possible alternative arrangements that would mitigate at least some of the adverse effects of the necessary reduction in the number of constituencies under this review.
- 1.2. The 2002 Parliamentary Boundary Review, the recommendations from which were implemented at the 2010 Parliamentary elections, resulted in a step in the right direction for Gateshead. That review greatly rationalised the constituency boundaries within the Borough, bringing 91% of the Borough's electorate into constituencies together with only Gateshead electors. The initial proposals under the 2018 review, however, represent a major regressive step in that none of the proposed constituencies are completely coterminous with Gateshead's boundaries. If implemented unchallenged, the proposals would result in 32,575 of Gateshead's 140,942 electorate (23%) being distributed into constituencies whose primary area of focus is on the needs of electors resident in areas other than Gateshead. The proposals also bring into Gateshead's administrative control 44,773 electors from areas outside of Gateshead's primary area of focus, which is no doubt of concern for electors in both Newcastle and Sunderland.
- 1.3. Central to the 2018 review process is the electoral quota as set out in the Parliamentary Voting System and Constituency Act 2011 (PVSC Act). This provides, as the primary executive principle of the review, a condition of prohibitive inflexibility. The imposition of a maximum permissible deviation from the quota of just 5% greatly impedes the range of potential options and is inevitably central to the issues arising from the initial proposals. Whilst the scope of the consultation does not invite representations on the legislation driving the review process, an emphasis of this prohibitive inflexibility must be similarly central to any submission in response.
- 1.4. This response acknowledges the stringent limitation placed on the Commission. It accepts that there is no course but to adhere to the quota system and that this will have caused great difficulties in the formulation of proposals. Similarly, the alternative arrangements advocated below are formulated to satisfy the legislative framework as it stands. With that concession, however, it is felt that concerns regarding the limited permissible deviation are legitimate and that the Commission has a duty to express these concerns to Government on behalf of respondents. Therefore, it must be stated that a larger permissible deviation from the quota would have greatly increased the range of options open to the Commission and would have better served the electorate for whose collective benefit the review process is intended.
- 1.5. Having accepted that the principle of the electoral quota severely limits what the Commission can achieve under this review, there is, however, still room for criticism

of the proposals. The primary objective of balancing constituency electorates relegates the status of other considerations, such as local ties and the integrity of local government boundaries rendering them little more than secondary concerns. These are not, however, to be wholly dismissed. Scope to bear other factors in mind *is* provided in the primary legislation and it is felt that this provision should be utilised to its greatest practicable extent.

- 1.6. It is conceded that it is not possible for any set of proposals to accommodate every local concern. Where it appears, however, that these concerns have not been given due consideration, when there is clearly scope and capacity to do so, it seems only fair to ask that alternative arrangements be considered in order to accommodate those concerns.
- 1.7. The ‘counter’ proposals set out below address primarily the issues relating to the Borough and people of Gateshead and to Gateshead Council as an administrative body. Whilst other local authorities in the region will doubtless share many of the same concerns, no attempt is made here to anticipate or address these. A degree of sensitivity to the needs of others is, however, exercised in order to ensure that solutions for Gateshead are not presented to the detriment of our neighbours.
- 1.8. This submission identifies a number of issues arising from the initial proposals and raises concerns regarding the possible implementation of these plans. It questions the process by which the Commission arrived at these proposals and stresses certain factors deemed appropriate for consideration under the PVSC Act. Ultimately, this response strives to present tenable alternatives and a cogent case in support of these.

2. Comments on the Commission Proposals

- 2.1. The relevant electorate for Gateshead extends to 140,942 electors. This figure is 1.89 times the electoral quota and, although it is recognised is not sufficient for two complete constituencies within Gateshead, it is sufficient for one constituency wholly coterminous with Gateshead’s administrative boundaries and one shared constituency. Despite this, the Borough has been divided somewhat arbitrarily between 6 constituencies, which in comparison with the proposed allocations in neighbouring authorities, is disproportionate with no evident purpose beyond balancing constituency electorates.
- 2.2. There is a strong feeling amongst Gateshead councillors, the officers supporting them and, more significantly, the electorate they serve that Gateshead has been treated as little more than a sacrificial lamb for the region used to maintain equilibrium amongst constituencies falling predominantly outside the Borough.
- 2.3. The table below details the relevant electorate figures for each of the local authorities in the North East region.

Local Authority	Electorate	Electorate Divided by Electoral Quota	Minimum Number of constituencies	BCE Proposals		
				Number of Constituencies (part or whole)	Whole Constituencies	Part Constituencies
Darlington		1.00	1	1	1	0

	74,929					
Co. Durham	377,715	5.05	5	6	1	5
Hartlepool	68,201	0.91	1	2	0	2
Middlesbrough	90,162	1.21	2	3	0	3
Redcar and Cleveland	100,365	1.34	2	2	0	2
Stockton-on-Tees	137,838	1.84	2	3	1	2
Northumberland	232,448	3.11	3	4	3	1
Gateshead	140,942	1.89	2	6	0	6
Newcastle upon Tyne	180,183	2.41	3	3	1	2
North Tyneside	151,045	2.02	2	2	2	0
South Tyneside	115,022	1.54	2	2	1	1
Sunderland	205,546	2.75	3	6	1	5

- 2.4. It is clear from the figures shown above that most local authority electorates are not of suitable size to support only whole constituencies and that shared administration of some constituencies is inevitable. What is also clear, however, is that under the Commission's proposals the number of shared constituencies is disproportionate. Gateshead has been divided between six constituencies which is three times as many constituencies than the minimum number their electorate necessitates. This is the same number of constituencies as both Sunderland and Co Durham, which have significantly greater electorates, with Co Durham, in particular, having more than double the electorate.
- 2.5. The PVSC Act states that local government boundaries are one of the additional factors that may be taken into account when determining future constituency boundaries. Evidently, some significance was attached to the integrity of local authority boundaries at the legislative stage. Certainly, beyond satisfying the electoral quota, this is foremost amongst any consideration from an administrative perspective. However, the significance of this seems to have fallen by the wayside during the formulation of these initial proposals.
- 2.6. These proposals create a real sense that very little consideration has been given to the integrity of local authority boundaries when in fact these should have been of considerable concern. Instead, it appears that for no better reason than the sake of ease, all wards across the region have been treated as generic building blocks to be distributed on no other basis than balancing electorates.
- 2.7. It should be noted that increasing the technical ease of the review process was *not* a provision made in the primary legislation. There *was*, however, provision for local government boundaries to be taken into account.

2.8. Further provision was made in the PVSC Act to respect and protect any local ties that might be jeopardised by changes to constituency boundaries. This principle does not seem to have been consistently applied. In the text setting out the initial proposals, the Commission outlines particular efforts made in order to include certain areas wholly within single constituencies. Equal effort does not seem to have been universally applied, however, and no justification is ventured as to why certain areas are given greater consideration than others.

2.9. These initial proposals are deeply unpopular within Gateshead. Under the Commission's proposals three of Gateshead's wards, namely; Wardley and Leam Lane, Birtley and Lamesley, would be isolated into three separate constituencies where there are no local ties. A further two wards, namely; Winlaton and High Spen and Chopwell and Rowlands Gill, are being annexed into a constituency which extends from Blaydon as far down as Barnard Castle.

2.10. Within Winlaton and High Spen and Chopwell and Rowlands Gill, the main concerns are as follows:

- A significant proportion of residents of Winlaton and High Spen ward live in Blaydon. Residents in both Winlaton and High Spen and Chopwell and Rowlands Gill look towards Blaydon, Gateshead and Newcastle for work, leisure, education, further travel (links to other areas by train, coach air or sea), health provision, social care provision, highways etc. In other words they function as a part of the large Tyneside conurbation.
- The residents of these wards share interests in common concern with their fellow residents of Gateshead and have no affiliation with West Durham.
- Inclusion in West Durham and Teesdale constituency would cause real problems for many people wishing to attend their Member of Parliament's (MP) surgeries, which would presumably be held some considerable distance away in what is proposed to be an extremely large constituency. Service by public transport in these areas is relatively infrequent and these links focus more on eastward travel towards the conurbations of Gateshead and Newcastle. The relationship between many electors and their representative would be significantly weakened due to their difficulty in accessing surgeries because of transport issues. Those most affected would be those at the lower end of the socio-economic scale and the elderly - arguably those whose needs most require representation.
- Inclusion in a constituency falling entirely outside their own county, the name of which makes no reference to their own area, will not only offend many electors but is also likely to cause widespread confusion. The disaffection likely to grow within the electorate will doubtless take its toll on engagement levels and turnout as many electors feel that their views are not important enough and begin to question the value of expressing their democratic franchise.
- There is no relationship evident between the factors provided for consideration under the PVSC Act and the proposal to include these wards in West Durham and Teesdale constituency. The effect of this is to devalue and marginalise these electorates. The common perception is that their collective concerns are not

regarded as fit for consideration and that they are no more consequential as a group than numbers on an electoral balance sheet.

2.11. Within Birtley and Lamesley, the main concerns are as follows:

- Birtley ward has no ties with Sunderland Council; every aspect of its governance has historically been administered in Gateshead. The residents of this ward share interests in common concern with their fellow residents of Gateshead and in particular those resident in Lamesley ward, a significant proportion of whom live in Birtley. It is felt that continuity between the representation of these common interests at local and national level is essential.
- The A1 motorway physically separates the Birtley ward from Sunderland. This is a very real barrier which would result in the ward being isolated from the rest of the proposed Sunderland West constituency.
- Being placed on the southern extremity of the Borough, care must be taken to combat the peripheral nature of these areas and foster an atmosphere of inclusivity. These proposals, however, have the converse effect. The prevailing perception is that these wards represent Gateshead's 'sacrificial lamb' of this boundary review. The proposed separation of these two wards from the rest of the Borough is perceived as the abandonment of these electorates in favour of retaining residents in other areas whose concerns are of greater consequence.
- There is a growing concern that the disillusionment likely to proliferate as a result of isolating these wards into constituencies on their own will adversely affect levels of engagement and reduce participation in the democratic process. Any MP for these constituencies would inevitably situate their office in the heart of the area and amongst its greatest concentration of population.
- There will inevitably be widespread confusion amongst the electorate regarding their inclusion in a constituency which falls outside their local authority area and whose name bears no reference to their own area.

2.12. The fact that Gateshead would be more significantly affected under these proposals than other local authority areas renders residents feeling resentful and devalued. As in other areas of the Borough, this will breed disaffection within the electorate, causing people to question the benefit of any engagement with the democratic process.

2.13. Experience has shown that the people of Gateshead are fiercely proud of their local identity. At the 2010 Parliamentary election there was a degree of uproar within the Borough following the implementation of changes resulting from the 2002 Parliamentary Boundary Review. One of the most contentious changes made under that review concerned certain polling districts which were moved into Jarrow constituency. The prevailing attitude amongst the electorate in these districts was one of indignation. The common perception was that these areas were being jettisoned and were no longer to be considered part of Gateshead. What would the MP for Jarrow know of *their* area? What would they even care?

- 2.14. Within Wardley and Leam Lane there continues to be resentment amongst the electorate that they vote within a constituency with which they have no local ties and with which they feel they have been placed merely to make up the numbers.
- 2.15. The Commission's initial proposals are likely to render, amongst the electors being displaced from Gateshead, a feeling of isolation from the rest of the Borough. Rather than fostering a feeling of Parliamentary fellowship amongst constituents these boundaries will create a sense of not belonging. Many electors will feel marginalised and irrelevant; an attitude detrimental to democratic participation.
- 2.16. When the boundary changes from the previous review were implemented at the 2010 Parliamentary election, Electoral Services officers were inundated with complaints. Despite there being a legitimate rationale for these changes and despite them having limited bearing on the quality of electors' parliamentary representation, many electors' anger could not be placated. A great deal of time and resources were expended in explaining the process by which electors had come to find themselves in a different constituency and in trying to justify this.
- 2.17. Although the administrative burden placed on local authorities is not explicitly cited in the PVSC Act as being a necessary consideration of the review, it is surely a valid factor for consideration under the provision to take into account local government boundaries. Consideration of local ties is provided for separately; so of what other significance are local government boundaries if not from an administrative perspective?
- 2.18. Any unnecessary additional strain placed on those local government administrators responsible for conducting Parliamentary elections needlessly jeopardises their ability to successfully deliver these events. Surely, beyond reducing the number of MPs and ensuring the implementation of the electoral quota, the ability of administrators to perform their duties with no unnecessary risk to the integrity of polls should be a paramount concern of this boundary review.
- 2.19. Due consideration of this issue is not evident in the Commission's initial proposals for the North East. The proliferation of constituencies with shared administration, in some cases between three authorities, shows a lack of understanding of the implications these shared constituencies have. Though some instances of this are inevitable under the electoral quota system, it is felt that more could have been done to keep them to a minimum.
- 2.20. Parliamentary constituencies that cross local authority boundaries cause particular problems at combined elections and they are likely to become the norm rather than the exception in Gateshead. The administration of the Parliamentary poll becomes shared between the administrative staff of the Returning Officers with jurisdiction over two or potentially three local authority areas. One Returning Officer will be designated by the Secretary of State for Justice to have the administrative lead and will then deputise the other(s) to enable them to function with executive powers. Each will make arrangements for the polling stations and absent voters in their own area(s), with issues relating to the Parliamentary polls taking precedence over any other event with which they are combined.
- 2.21. The effect of this is to convolute the administrative process. Rather than being able to make unilateral decisions the Parliamentary Returning Officer must consider the

implications for any other subordinate polls in the neighbouring area(s); in turn the Deputy Returning Officer(s) must defer to the Parliamentary Returning Officer for certain crucial decisions. The result is that the planning and administration of these combined polls becomes something of a committee process.

- 2.22. The range of issues that must be carefully considered from the perspective of administrative partners at combined polls is extensive. There are implications for postal voting; with ballot papers being verified and counted at different locations they must be provided to electors in separate postal packs or else subordinate ballot papers must be couriered daily from a single return address to a second location. In polling stations, ballot papers must similarly be cast in separate boxes or else at the close of poll must *all* be verified at the Parliamentary count venue before subordinate papers are couriered to the location of the count for the other poll. Ballot paper allocations must be reconciled, staffing levels determined, contingency plans agreed and software compatibility issues overcome. The list of considerations, some seemingly trivial, some of more obvious import, is extensive and must not be underestimated.
- 2.23. Sharing the administration of just a single constituency results in a great deal of time and effort being expended by senior officers travelling to and from meetings to determine a wide range of processes. Increasing this burden to the extent that it is proposed for Gateshead Council threatens to overwhelm the capacity of senior officers when ordinary demand on them is at its greatest. It must be stated that the effect of overburdening those officers charged with delivering Parliamentary elections greatly increases the risks that must be mitigated against and creates a danger that the integrity of polls could be jeopardised.
- 2.24. A further reduction in the quality of electors' experience of the democratic process will result from the likely confusion the initial proposals would cause if implemented. A significant part of the electorate is already confused by the various levels of democratic representation. Adding to this confusion is the fact that their address falls simultaneously within two distinctly separate electoral areas for the various levels of governance. In order to keep confusion to a minimum it is vital that as much continuity as possible be maintained between local and Parliamentary electoral areas. This is something that the initial proposals simply do not strive to achieve.
- 2.25. This lack of continuity does not only do the electorate a disservice but also makes the situation more complicated for elected representatives. Where constituencies straddle local authority boundaries, maintaining working relationships between local government councillors and MPs becomes collectively more complicated and problematic. This is especially the case where local authority wards have been annexed into extremely large constituencies (in the case of Gateshead's western wards and West Durham and Teesdale constituency) where face to face meetings would become time consuming and difficult.

3. Gateshead Council's Proposals

- 3.1. Gateshead's primary aim is to reduce the number of Gateshead's electors surrendered to constituencies falling predominantly outside the Borough. Gateshead recognises that it is not possible to formulate counter proposals that would resolve the issues of all affected wards.

- 3.2. Gateshead hopes to achieve, as a bare minimum, one consolidated Parliamentary constituency, fully coterminous with Gateshead Council's administrative boundaries, incorporating no electors from neighbouring local authority areas, and to reduce the number of shared constituencies.
- 3.3. Below are several options which are presented as alternatives to the initial proposals from the Commission. Certain changes to the wards of neighbouring authorities have been recommended to accommodate the changes within Gateshead. Whilst efforts have been made to recommend only sensible and practicable arrangements, it is recognised that Gateshead is not fully conversant with the interrelationships of the communities of other local authorities. The options that have been put forward improve the position for Gateshead electors but also satisfy the quota system in all the constituencies affected.
- 3.4. In formulating the recommendations under these options, Gateshead Council has endeavoured to deviate as little as possible from the initial proposals of the Commission.

Options for a Gateshead coterminous constituency

3.5. Option 1: Reclaiming Lamesley and Birtley wards into Gateshead constituency

- 3.5.1. This option would result in one complete Gateshead constituency wholly within the administrative boundaries of Gateshead and three shared constituencies as opposed to the Commission's initial proposals which have Gateshead split between six shared constituencies.
- 3.5.2. This option could also potentially be combined with option four below.
- 3.5.3. Under this proposal, the aim is to reclaim Lamesley ward from North Durham and Chester Le Street constituency and Birtley ward from Sunderland West constituency into Gateshead constituency.
- 3.5.4. In order to achieve this it is proposed that Pelaw and Heworth ward would move back into Jarrow constituency. Washington West ward from Gateshead constituency and Washington North ward from Jarrow constituency would move into Sunderland West constituency. Washington South ward from Sunderland West constituency would move into North Durham and Chester Le Street constituency.
- 3.5.5. The proposed Gateshead constituency and the wards it would include are as follows:
- **Gateshead** (electorate – 75,135)
Bridges, Chowdene, Deckham, Dunston & Teams, Felling, High Fell, Lobley Hill & Bensham, Low Fell, Saltwell, Windy Nook & Whitehills Lamesley and Birtley
- 3.5.6 Implications :
- Gateshead and Sunderland would no longer be required to share administrative responsibilities for two constituencies which will be of benefit to the residents of both authorities.

- The arrangements under this option show a greater respect for the integrity of local authority boundaries.
- The constituencies recommended under this option give due consideration, more than the Commission proposals, to issues of local identity.
- Returning Pelaw and Heworth to Jarrow constituency would have less of an impact on those residents as they are already in Jarrow constituency and have recognised local ties with Hebburn.

3.5.7 Tables detailing the full list of the North East constituencies recommended under this option are provided in Appendix 1. The electorates of all constituencies to which changes are proposed are within 5% of the electoral quota, being no lower than 71,031 and no higher than 78,507.

3.6 **Option 2: Reclaiming Wardley and Leam Lane ward into Gateshead constituency**

3.6.1 This option is another alternative proposal which would result in one complete coterminous Gateshead constituency and four shared constituencies.

3.6.2 This option could also potentially be combined with option four below.

3.6.3 Under this proposal, the aim is to move Wardley and Leam Lane ward from Jarrow constituency into Gateshead constituency.

3.6.4 In order to achieve this it is proposed that Washington West from Gateshead constituency would move into Jarrow constituency.

3.6.5 The proposed Gateshead constituency and the wards it would include are as follows:

- **Gateshead** (electorate – 74,533)
Bridges, Chowdene, Deckham, Dunston & Teams, Felling, High Fell, Lobley Hill & Bensham, Low Fell, Saltwell, Windy Nook & Whitehills, Pelaw and Heworth and Wardley and Leam Lane.

3.6.6 Implications:

- This option has found room within the legislative framework and the initial proposals to accommodate the needs of Gateshead whilst creating virtually no knock on effect for neighbouring authorities
- Gateshead and South Tyneside would no longer have to share a constituency

3.6.7 If this option cannot be achieved, as a bare minimum, it is requested that Pelaw and Heworth, who have recognised local ties with the Hebburn community be retained in Jarrow constituency and Wardley and Leam Lane who have no recognised local ties, be moved into Gateshead constituency.

3.6.8 Tables detailing the full list of the North East constituencies recommended under this option are provided in Appendix 2. The electorates of all constituencies to which changes are proposed are within 5% of the electoral quota, being no lower than 71,031 and no higher than 78,507.

3.7 **Option 3: Reclaiming Winlaton and High Spen ward into Blaydon constituency and creating a coterminous Gateshead constituency**

- 3.7.1 In formulating this option, Gateshead looked at ways to reclaim both Chopwell and Rowlands Gill and Winlaton and High Spen wards. Due to the restrictive nature of the electoral quota, whilst potential revised constituencies in respect of Gateshead could be achieved, it was not possible to formulate practical alternative solutions that would meet the electoral quota requirements in both Newcastle and Durham.
- 3.7.2 Although practical alternatives are not available in relation to Chopwell and Rowlands Gill, it is important to note that Councillors and residents in that ward are deeply unhappy with the proposal that they move into West Durham. Although they were historically part of County Durham, the break with Durham in terms of employment, education, health and leisure is almost totally complete with residents now looking to Blaydon, Gateshead and Newcastle as part of the wider Tyneside conurbation.
- 3.7.3 This option, therefore, looked at one solution that would reclaim Winlaton and High Spen back into Blaydon constituency. This would result in one complete Gateshead constituency wholly within the administrative boundaries of Gateshead and four shared constituencies.
- 3.7.4 Under this proposal, the aim is to reclaim Winlaton and High Spen ward from West Durham and Teesdale constituency into Blaydon constituency.
- 3.7.5 In order to achieve this it is proposed that Washington West ward would move into Sunderland West constituency. Birtley ward would move from Sunderland West constituency into North Durham and Chester Le Street constituency. Annfield Plain from North Durham and Chester Le Street would move into West Durham and Teesdale. Dunston Hill and Whickham East from Blaydon constituency would move into Gateshead constituency.
- 3.7.6 The proposed Blaydon constituency and the wards it would include are as follows:
- **Blaydon** (electorate – 75,717)
Blaydon, Crawcrook and Greenside, Ryton, Crookhill and Stella, Whickham North, Whickham South and Sunnyside, Benwell and Scotswood, Elswick, Denton, Lemington, Newburn and Winlaton and High Spen
- 3.7.7 Implications:
- Chopwell & Rowlands Gill would be included with County Durham districts.
 - Birtley and Lamesley wards would be together in North Durham and Chester Le Street constituency.
 - Gateshead would no longer share any constituencies with Sunderland.
- 3.7.8 Tables detailing the full list of the North East constituencies recommended under this option are provided in Appendix 3. The electorates of all constituencies to which changes are proposed are within 5% of the electoral quota, being no lower than 71,031 and no higher than 78,507.

Alternative Options

3.8 **Option 4: Reclaiming Winlaton and High Spen ward into Blaydon constituency**

3.8.1 This is an alternative option that would reclaim Winlaton and High Spen back into the Blaydon constituency. On its own, this option does not reduce the number of shared constituencies, it can however, be combined with either option one or two above or option five below.

3.8.2 It is proposed that this option can be combined with option one above as a means of reclaiming the maximum number of Gateshead's electorate.

3.8.3 Under this proposal, the aim is to reclaim Winlaton and High Spen ward from West Durham and Teesdale constituency into Blaydon constituency.

3.8.4 In order to achieve this it is proposed that Denton ward would move from Blaydon constituency into Newcastle North West constituency. Ponteland and East Stannington ward would move from Newcastle North West constituency into Hexham and Morpeth constituency. South Tynedale ward would move from Hexham and Morpeth constituency into West Durham and Teesdale constituency.

3.8.5 The proposed Blaydon constituency and wards it would include are as follows:

- **Blaydon** (electorate – 74,947)
Winlaton and HighSpen, Blaydon, Crawcrook and Greenside, Dunston Hill and Whckham East, Ryton, Crookhill and Stella, Whickham North, Whickham South and Sunnside, Benwell and Scotswood, Elswick, Lemington and Newburn

3.8.6 Implications;

- Chopwell & Rowlands Gill would be included with County Durham districts.

3.8.7 Tables detailing the full list of the North East constituencies recommended under this option are provided in Appendix 4. The electorates of all constituencies to which changes are proposed are within 5% of the electoral quota, being no lower than 71,031 and no higher than 78,507.

3.9 **Option 5: Moving Birtley from Sunderland West into North Durham and Chester Le Street constituency**

3.9.1 This option on its own results in five shared constituencies.

3.9.2 This option could also potentially be combined with option two above which would then result in one complete coterminous Gateshead constituency and three shared constituencies. This option can also be combined with option four.

3.9.3 Under this proposal the aim is to move Birtley ward from Sunderland West into North Durham and Chester Le Street.

3.9.4 In order to achieve this it is proposed that Lumley ward would move from North Durham and Chester Le Street into Sunderland West constituency.

3.9.5 Implications:

- Birtley and Lamesley wards would be together in North Durham and Chester Le Street constituency.
- Gateshead would no longer share any constituencies with Sunderland.

3.9.6 Tables detailing the full list of the North East constituencies recommended under this option are provided in Appendix 5. The electorates of all constituencies to which changes are proposed are within 5% of the electoral quota, being no lower than 71,031 and no higher than 78,507.

4 Conclusion

- 4.1. It is not the attitude amongst Gateshead's councillors nor residents that Gateshead should receive any form of preferential treatment; simply that Gateshead should not unfairly bear the brunt of the impact of this boundary review
- 4.2. The process of this boundary review was inevitably going to be fraught with difficulties and the Commission's task of implementing the necessary reduction in constituencies within the prohibitive prerequisite of 5% maximum deviation from the quota is an unenviable one.
- 4.3. Whilst some allowance must be made for what has doubtless been a difficult and time consuming process for the Commission, their initial proposals fall far short of what might have been achieved, even under the legislative framework as it currently stands. It is clear that a priority of easing procedural burden has taken precedence over valid considerations explicitly provided for under the PVSC Act. Provision for these considerations was made, presumably, in order to limit the impact of this review on the electorate by respecting certain factors likely to be deemed important. Accommodating these additional factors doubtless makes an already difficult task even more arduous for the Commission; however, this is not a legitimate cause for this vital aspect of the review process to have been so flagrantly ignored.
- 4.4. A clear case has been made here against proposals that simply do not adequately serve the residents of Gateshead. If these initial proposals are taken forward, the integrity of Parliamentary representation will be profoundly destabilised and undermined for a large portion of the population and the democratic process will be made less accessible to many people who arguably rely on it most. In addition to this, the various factors which will increase the strain placed on administrators will put at risk the mechanism of electors' franchise and jeopardise the integrity of results.
- 4.5. Aside from offering a disconnected and fragmented level of representation to Gateshead's electorate, our councillors consider these initial proposals send a very negative message to the people of the Borough. The message is that Gateshead doesn't matter. The message is that Gateshead as an entity, along with any pride that people feel in being a part of it, is irrelevant. This perception is not simply the product of some collective insecurity or imagined sleight; it is the result of Gateshead bearing the brunt of this review and emerging worse off than almost any other authority within the region.

- 4.6. Gateshead's primary recommendations to the Commission with regard to the electoral arrangements are, therefore, simple: limit the unnecessary fragmentation of the Borough of Gateshead simply for the benefit of others.
- 4.7. The options have been put forward as a measure to resolve some of the issues faced by Gateshead as a result of the initial proposals put forward by the Commission. It has not been possible to make suggestions that would resolve all of those issues. Gateshead is of the opinion that any knock on effect for their neighbouring authorities are minimal and in general terms these options have been shown to improve the overall performance of the initial proposals put forward by the Commission
- 4.8. Option 1 – This option would result in a reduction of the Commission's initial proposals of six shared constituencies to one coterminous Gateshead constituency and three shared constituencies. It is the opinion of Gateshead's councillors and officers that an extremely compelling argument would need to be made against this option to justify anything less than full implementation. Although this option would result in Pelaw and Heworth returning to Jarrow constituency it is felt that this would be more palatable as the residents of Pelaw and Heworth do at least have a level of continuity and there are some recognised local ties with the area. This option, if combined with option 4, would also improve the position in relation to the residents of Winlaton and High Spen.
- 4.6.1 Option 2 – This option would result in a reduction of the Commission's initial proposals of six shared constituencies to one coterminous Gateshead constituency and four shared constituencies. If this option cannot be achieved, as a bare minimum, it is requested that Pelaw and Heworth, who have recognised local ties with the Hebburn community be retained in Jarrow constituency and Wardley and Leam Lane who have no recognised local ties, be moved into Gateshead constituency. This option, if combined with option 4, would also improve the position in relation to the residents of Winlaton and High Spen.
- 4.9. Option 3 – This option would result in a reduction of the Commission's initial proposals of six shared constituencies to one coterminous Gateshead constituency and four shared constituencies. In the event that option 1 cannot be achieved this option would improve Gateshead's position in relation to the residents of Winlaton and High Spen. This option would also be a better solution for the residents of Birtley as opposed to the Commission's initial proposals.
- 4.10. Option 4 – if combined with option 1 or option 2, would further improve Gateshead's position in relation to the residents of Winlaton and High Spen.
- 4.11. Option 5 – in the event that option 1 cannot be achieved, this option would be a better solution for the residents of Birtley. This option would result in a reduction of the Commission's initial proposals of six shared constituencies to five.

Appendix 1

Option 1: Reclaiming Lamesley and Birtley wards into Gateshead constituency

The tables below detail the constituencies recommended under this option. The electorates of all constituencies to which changes are proposed are within 5% of the electoral quota, being no lower than 71,031 and no higher than 78,507

Gateshead constituency:

Initial BCE Proposal	
Gateshead BC	
Bridges	5,316
Chowdene	6,892
Deckham	6,371
Dunston and Teams	5,823
Felling	5,586
High Fell	5,895
Lobley Hill and Bensham	6,860
Low Fell	6,910
Saltwell	5,470
Windy Nook and Whitehills	7,065
Pelaw and Heworth	6,373
Washington West	8,978
Electorate	77,539

Option 1	
Proposed Gateshead BC	
Bridges	5,316
Chowdene	6,892
Deckham	6,371
Dunston and Teams	5,823
Felling	5,586
High Fell	5,895
Lobley Hill and Bensham	6,860
Low Fell	6,910
Saltwell	5,470
Windy Nook and Whitehills	7,065
Lamesley	6,963
Birtley	5,984
Electorate	75,135

Jarrow constituency:

Initial BCE Proposal	
Jarrow BC	
Wardley and Leam Lane	5,972
Bede	5,956
Fellgate and Hedworth	5,835
Hebburn North	6,930
Hebburn South	6,234
Monkton	6,307
Primrose	6,293
Simonside and Rekendyke	6,324
Castle	8,332
Redhill	8,107
Washington North	8,183
Electorate	74,473

Option 1	
Proposed Jarrow BC	
Pelaw and Heworth	6,373
Wardley and Leam Lane	5,972
Bede	5,956
Fellgate and Hedworth	5,835
Hebburn North	6,930
Hebburn South	6,234
Monkton	6,307
Primrose	6,293
Simonside and Rekendyke	6,324
Castle	8,332
Redhill	8,107
Electorate	72,663

North Durham and Chester le Street constituency:

Initial BCE Proposal North Durham and Chester-le-Street CC	
Lamesley	6,963
Annfield Plain	5,670
Chester-le-Street East	2,919
Chester-le-Street North	2,999
Chester-le-Street South	5,937
Chester-le-Street West Central	5,825
Craghead and South Moor	5,177
Lumley	5,527
North Lodge	2,828
Pelton	9,889
Sacrison	5,357
Stanley	6,187
Tanfield	6,495
Electorate	71,773

Option 1 Proposed North Durham and Chester-le-Street CC	
Washington South	7,846
Annfield Plain	5,670
Chester-le-Street East	2,919
Chester-le-Street North	2,999
Chester-le-Street South	5,937
Chester-le-Street West Central	5,825
Craghead and South Moor	5,177
Lumley	5,527
North Lodge	2,828
Pelton	9,889
Sacrison	5,357
Stanley	6,187
Tanfield	6,495
Electorate	72,656

Sunderland West constituency:

Initial BCE Proposal Sunderland West BC	
Birtley	5,984
St Chad's	7,547
Sandhill	7,976
Shiney Row	9,719
Silksworth	8,109
St Anne's	8,084
Washington Central	8,654
Washington East	8,801
Washington South	7,846
Electorate	72,720

Option 1 Proposed Sunderland West BC	
Washington West	8,978
Washington North	8,183
St Chad's	7,547
Sandhill	7,976
Shiney Row	9,719
Silksworth	8,109
St Anne's	8,084
Washington Central	8,654
Washington East	8,801
Electorate	76,051

Appendix 2

Option 2: Reclaiming Wardley and Leam Lane ward into Gateshead constituency

The tables below detail the constituencies recommended under this option. The electorates of all constituencies to which changes are proposed are within 5% of the electoral quota, being no lower than 71,031 and no higher than 78,507

Gateshead constituency:

Initial BCE Proposal Gateshead BC	
Bridges	5,316
Chowdene	6,892
Deckham	6,371
Dunston and Teams	5,823
Felling	5,586
High Fell	5,895
Lobley Hill and Bensham	6,860
Low Fell	6,910
Saltwell	5,470
Windy Nook and Whitehills	7,065
Pelaw and Heworth	6,373
Washington West	8,978
Electorate	77,539

Option 2 Proposed Gateshead BC	
Bridges	5,316
Chowdene	6,892
Deckham	6,371
Dunston and Teams	5,823
Felling	5,586
High Fell	5,895
Lobley Hill and Bensham	6,860
Low Fell	6,910
Saltwell	5,470
Windy Nook and Whitehills	7,065
Pelaw and Heworth	6,373
Wardley and Leam Lane	5,972
Electorate	74,533

Jarrow constituency:

Initial BCE Proposal Jarrow BC	
Wardley and Leam Lane	5,972
Bede	5,956
Fellgate and Hedworth	5,835
Hebburn North	6,930
Hebburn South	6,234
Monkton	6,307
Primrose	6,293
Simonside and Rekendyke	6,324
Castle	8,332
Redhill	8,107
Washington North	8,183
Electorate	74,473

Option 2 Proposed Jarrow BC	
Bede	5,956
Fellgate and Hedworth	5,835
Hebburn North	6,930
Hebburn South	6,234
Monkton	6,307
Primrose	6,293
Simonside and Rekendyke	6,324
Castle	8,332
Redhill	8,107
Washington North	8,183
Washington West	8,978
Electorate	77,479

Appendix 3

Option 3: Reclaiming Winlaton and High Spennings ward into Blaydon constituency and creating a coterminous Gateshead constituency

The tables below detail the constituencies recommended under this option. The electorates of all constituencies to which changes are proposed are within 5% of the electoral quota, being no lower than 71,031 and no higher than 78,507

North Durham and Chester Le Street constituency:

Initial BCE Proposal North Durham and Chester Le Street BC	
Lamesley	6,963
Anfield Plain	5,670
Chester-le-Street East	2,919
Chester-le-Street North	2,999
Chester-le-Street South	5,937
Chester-le-Street West Central	5,825
Craghead and South Moor	5,177
Lumley	5,527
North Lodge	2,828
Pelton	9,889
Sacrison	5,357
Stanley	6,187
Tanfield	6,495
Electorate	71,773

Option 2 Proposed North Durham and Chester Le Street BC	
Birtley	5,984
Lamesley	6,963
Chester-le-Street East	2,919
Chester-le-Street North	2,999
Chester-le-Street South	5,937
Chester-le-Street West Central	5,825
Craghead and South Moor	5,177
Lumley	5,527
North Lodge	2,828
Pelton	9,889
Sacrison	5,357
Stanley	6,187
Tanfield	6,495
Electorate	72,087

Sunderland West constituency:

Initial BCE Proposal Sunderland West	
Birtley	5,984
St Chad's	7,547
Sandhill	7,976
Shiney Row	9,719
Silksworth	8,109
St Anne's	8,084
Washington Central	8,654
Washington East	8,801
Washington South	7,846

Option 2 Proposed Sunderland West	
Washington West	8,978
St Chad's	7,547
Sandhill	7,976
Shiney Row	9,719
Silksworth	8,109
St Anne's	8,084
Washington Central	8,654
Washington East	8,801
Washington South	7,846

Electorate	72,720
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Electorate	75,714
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Gateshead constituency:

Initial BCE Proposal Gateshead BC	
Bridges	5,316
Chowdene	6,892
Deckham	6,371
Dunston and Teams	5,823
Felling	5,586
High Fell	5,895
Lobley Hill and Bensham	6,860
Low Fell	6,910
Saltwell	5,470
Windy Nook and Whitehills	7,065
Pelaw and Heworth	6,373
Washington West	8,978
Electorate	77,539

Option 2 Proposed Gateshead BC	
Dunston Hill and Whickham East	6,586
Bridges	5,316
Chowdene	6,892
Deckham	6,371
Dunston and Teams	5,823
Felling	5,586
High Fell	5,895
Lobley Hill and Bensham	6,860
Low Fell	6,910
Saltwell	5,470
Windy Nook and Whitehills	7,065
Pelaw and Heworth	6,373
Electorate	75,147

Blaydon constituency:

Initial BCE Proposal Blaydon BC	
Blaydon	6,953
Crawcrook and Greenside	6,659
Dunston Hill and Whickham East	6,586
Ryton, Crookhill and Stella	6,818
Whickham North	6,307
Whickham South and Sunnyside	6,483
Benwell and Scotswood	8,020
Elswick	6,495
Denton	7,356
Lemington	7,030
Newburn	6,894
Electorate	75,601

Option 2 Proposed Blaydon BC	
Winlaton and High Spen	6,702
Blaydon	6,953
Crawcrook and Greenside	6,659
Ryton, Crookhill and Stella	6,818
Whickham North	6,307
Whickham South and Sunnyside	6,483
Benwell and Scotswood	8,020
Elswick	6,495
Denton	7,356
Lemington	7,030
Newburn	6,894
Electorate	75,717

West Durham and Teesdale constituency:

Initial BCE Proposal West Durham and Teesdale CC	
Barnard Castle West	6,319
Chopwell and Rowlands Gill	6,954
Winlaton and High Spen	6,702
Benfieldside	6,180
Burnopfield and Dipton	5,962
Consett North	5,761
Consett South	2,886
Crook	8,995
Delves Lane	6,026
Lanchester	5,871
Leadgate and Medomsley	6,440
Weardale	6,406
Electorate	74,502

Option 2 Proposed West Durham and Teesdale CC	
Barnard Castle West	6,319
Chopwell and Rowlands Gill	6,954
Benfieldside	6,180
Burnopfield and Dipton	5,962
Consett North	5,761
Consett South	2,886
Crook	8,995
Delves Lane	6,026
Lanchester	5,871
Leadgate and Medomsley	6,440
Weardale	6,406
Annfield Plain	5,670
Electorate	73,470

Appendix 4

Option 4: Reclaiming Winlotion and High Spen ward into Blaydon constituency

The tables below detail the constituencies recommended under this option. The electorates of all constituencies to which changes are proposed are within 5% of the electoral quota, being no lower than 71,031 and no higher than 78,507

Blaydon constituency:

Initial BCE Proposal	
Blaydon BC	
Blaydon	6,953
Crawcrook and Greenside	6,659
Dunston Hill and Whickham East	6,586
Ryton, Crookhill and Stella	6,818
Whickham North	6,307
Whickham South and Sunnyside	6,483
Benwell and Scotswood	8,020
Elswick	6,495
Denton	7,356
Lemington	7,030
Newburn	6,894
Electorate	75,601

Option 4	
Proposed Blaydon BC	
Winlotion and High Spen	6,702
Blaydon	6,953
Crawcrook and Greenside	6,659
Dunston Hill and Whickham East	6,586
Ryton, Crookhill and Stella	6,818
Whickham North	6,307
Whickham South and Sunnyside	6,483
Benwell and Scotswood	8,020
Elswick	6,495
Lemington	7,030
Newburn	6,894
Electorate	74,947

West Durham and Teesdale constituency:

Initial BCE Proposal	
West Durham and Teesdale CC	
Barnard Castle West	6,319
Chopwell and Rowlands Gill	6,954
Winlotion and High Spen	6,702
Benfieldside	6,180
Burnopfield and Dipton	5,962
Consett North	5,761
Consett South	2,886
Crook	8,995
Delves Lane	6,026
Lanchester	5,871
Leadgate and Medomsley	6,440
Weardale	6,406
Electorate	74,502

Option 4 Proposed West Durham and Teesdale CC	
South Tynedale	3,831
Barnard Castle West	6,319
Chopwell and Rowlands Gill	6,954
Benfieldside	6,180
Burnopfield and Dipton	5,962
Consett North	5,761
Consett South	2,886
Crook	8,995
Delves Lane	6,026
Lanchester	5,871
Leadgate and Medomsley	6,440
Weardale	6,406
Electorate	71,631

Newcastle upon Tyne North West constituency:

Initial BCE Proposal Newcastle upon Tyne North West BC	
Ponteland East and Stannington	3,297
Blakelaw	7,696
Fenham	7,521
Kenton	7,498
West Gosforth	7,128
Castle	8,578
Fawdon	7,035
Parklands	7,562
Westerhope	7,443
Woolsington	7,521
Electorate	71,279

Option 4 Proposed Newcastle upon Tyne North West BC	
Blakelaw	7,696
Fenham	7,521
Kenton	7,498
West Gosforth	7,128
Castle	8,578
Fawdon	7,035
Parklands	7,562
Westerhope	7,443
Woolsington	7,521
Denton	7,356
Electorate	75,338

Hexham and Morpeth constituency:

Initial BCE Proposal Hexham & Morpeth CC	
Longhorseley	2,297
Pegswood	709
Ponteland North	507
Rothbury	3,957
Bellingham	3,050
Bywell	3,457
Corbridge	3,353
Haltwhistle	3,583
Haydon and Hadrian	3,321
Hexham Central with Acomb	3,235
Hexham East	3,228
Hexham West	3,177
Humshaugh	3,244
Ponteland North	3,137
Ponteland South with Heddon	3,351
Ponteland West	3,275
Prudhoe North	4,112
Prudhoe South	3,739
South Tynedale	3,831
Stocksfield and Broomhaugh	3,808
Longhorseley	904
Morpeth Kirkhill	4,015
Morpeth North	3,650
Morpeth Stobhill	3,502
Pegswood	3,124

Option 4 Proposed Hexham & Morpeth CC	
Ponteland East and Stannington	3,297
Longhorseley	2,297
Pegswood	709
Ponteland North	507
Rothbury	3,957
Bellingham	3,050
Bywell	3,457
Corbridge	3,353
Haltwhistle	3,583
Haydon and Hadrian	3,321
Hexham Central with Acomb	3,235
Hexham East	3,228
Hexham West	3,177
Humshaugh	3,244
Ponteland North	3,137
Ponteland South with Heddon	3,351
Ponteland West	3,275
Prudhoe North	4,112
Prudhoe South	3,739
Stocksfield and Broomhaugh	3,808
Longhorseley	904
Morpeth Kirkhill	4,015
Morpeth North	3,650
Morpeth Stobhill	3,502
Pegswood	3,124

Electorate	77,566
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Appendix 5

Electorate	77,032
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Option 5: Moving Birtley from Sunderland West into North Durham and Chester Le Street constituency

The tables below detail the constituencies recommended under this option. The electorates of all constituencies to which changes are proposed are within 5% of the electoral quota, being no lower than 71,031 and no higher than 78,507

North Durham and Chester Le Street constituency:

Initial BCE Proposal North Durham and Chester Le Street CC	
Lamesley	6,963
Annfield Plain	5,670
Chester-le-Street East	2,919
Chester-le-Street North	2,999
Chester-le-Street South	5,937
Chester-le-Street West Central	5,825
Craghead and South Moor	5,177
Lumley	5,527
North Lodge	2,828
Pelton	9,889
Sacrison	5,357
Stanley	6,187
Tanfield	6,495
Electorate	71,773

Option 2 Proposed North Durham and Chester Le Street	
Birtley	5,984
Lamesley	6,963
Annfield Plain	5,670
Chester-le-Street East	2,919
Chester-le-Street North	2,999
Chester-le-Street South	5,937
Chester-le-Street West Central	5,825
Craghead and South Moor	5,177
North Lodge	2,828
Pelton	9,889
Sacrison	5,357
Stanley	6,187
Tanfield	6,495
Electorate	73,470

Sunderland West constituency:

Initial BCE Proposal Sunderland West	
Birtley	5,984
St Chad's	7,547
Sandhill	7,976
Shiney Row	9,719
Silksworth	8,109
St Anne's	8,084
Washington Central	8,654
Washington East	8,801
Washington South	7,846

Option 2 Proposed Sunderland West	
St Chad's	7,547
Sandhill	7,976
Shiney Row	9,719
Silksworth	8,109
St Anne's	8,084
Washington Central	8,654
Washington East	8,801
Washington South	7,846
Lumley	5,527

Electorate	72,720
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Electorate	72,263
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REPORT TO CABINET
29 November 2016

TITLE OF REPORT: Tyne and Wear Archives and Museums: Joint Agreement and New Governance Arrangements

REPORT OF: Mike Barker, Strategic Director, Corporate Services and Governance
Paul Dowling, Strategic Director, Communities and Environment

Purpose of the Report

1. The report outlines a revised proposal for the current Tyne and Wear Archives and Museums (TWAM) Joint Agreement for the 2016/17 municipal year. It seeks the approval for the establishment of a Strategic Board to replace the Joint Committee from 1 June 2017, along with new terms of reference and a new governance structure.

Overview

2. The withdrawal of Sunderland from Tyne & Wear Archives & Museums (TWAM) in 2013 and challenging reductions in investment by the other local authority partners mean that TWAM needs to generate more income from other sources to balance its budget.
3. The continued collaboration and commitment of existing local authority partners, and changes to the governance of TWAM, will facilitate that increased self-reliance; will enable businesses to become active stakeholders and support enhanced entrepreneurialism; will position the organisation to secure substantial investment from Arts Council England in 2018 -22; and will improve the long-term security of the service.
4. A further agreement is now required for the period 1 April 2016 – 31 May 2017, when it is proposed that the Joint Committee should transfer its responsibilities to a new Strategic Board and then be dissolved. In the absence of a signed agreement covering the first half of this financial year, the partners have continued to operate under the terms of the previous agreement.

Proposal

5. Financial pressures mean that TWAM has to generate additional earned income to balance its budgets and maintain the quality of its service.

6. It has responded to the challenge with considerable success but the organisation is now at a pivotal point in its history. If it is to meet the challenges it is likely to face in future and is to maintain the confidence and support of Arts Council England (ACE), its single biggest funder, it needs to:
 - make radical changes to its governance; and
 - effect the transition from the current to the proposed new arrangements in a measured, coordinated and timely manner.

7. The timetable for change is determined in part by the need to increase self-generated income, as soon as possible, but also to reassure Arts Council England (ACE) that the organisation has a secure, long-term and planned future, in preparation for the submission by TWAM of an application to ACE for grant aid to cover the period 2018-22. This funding is a significant element of TWAM's business plan and it is essential it is secured.

8. That application is likely to be for a sum in the region of £16m. The window for applications opens in October 2016. The deadline for submissions is February 2017. ACE will announce its funding decisions in the late summer/early autumn of 2017.

9. In preparation for a successful bid, it is necessary:
 - to secure the agreement of the four local authority stakeholders to the proposed changes (October / November 2016);
 - to agree a renewed Joint Agreement, which lays out the roles, rights and responsibilities of each authority in the Joint Committee, and the way in which they operate together, and which covers the period 1 April 2016 – 31 May 2017 (October 2016);
 - to establish a new Strategic Board, which includes representatives of the four existing local authorities but also welcomes representation from Newcastle University and the private sector;
 - establishing the new Strategic Board signals a new way of working which will give TWAM the flexibility it will need to survive and thrive, delivering high quality museums and archive services for all the partners. The functions of the Strategic Board will normally be determined by a consensus process. When the Strategic Board is discharging local authority functions such as budgets, finance, ownership of collections etc. only elected members on the Strategic Board will have the right to vote.
 - ensure that the new arrangements are appraised on an ongoing basis in the first year of implementation. A review of the effectiveness of the arrangements can be given at the end of the first year to ensure that the governance structures are fit for purpose.
 - to identify and appoint an independent Chair and Board members (between December 2016 and April 2017) and a Vice Chair (who is an elected member of the constituent local authorities);
 - to establish a new, wholly-owned, Trading Company, which allows TWAM to diversify the sources, and increase the volume of its earned income (by June 2017);
 - to dissolve the Joint Committee on 31 May 2017, the end of the municipal year;

- to transfer responsibility for governing the organisation to the new Strategic Board on 1 June 2017.

10. All the proposed changes will then be in place and operational by the time ACE makes its funding decisions and announcements.

Recommendations:

11. Cabinet is asked to approve:

- (i) the adoption of a renewed TWAM Joint Agreement for the 2016/7 municipal year;
- (ii) the dissolution of the TWAM Joint Committee on 31 May 2017;
- (iii) the formation of a Strategic Board to replace the Joint Committee from 1 June 2017;
- (iv) the terms of reference for the Strategic Board (Appendix 1, paragraph 17) and constituent local authorities
- (v) the principle of the appointment of an independent Chair and members to the Strategic Board and a Vice Chair who is an elected member of the constituent local authorities;
- (vi) the establishment of a wholly-owned Trading Company; and
- (vii) the delegation of authority to the Director of TWAM and the Service Director, Legal, Democratic and Property Services to prepare and negotiate the required legal agreements for the proposals set out above and to agree any appropriate changes, in consultation with the Cabinet Member for Culture and Leisure and the Cabinet Member for Communities and Volunteering. The delegation of authority outlined above is recommended on the basis that it will report back to Cabinet on the detail as and when this process has been concluded, and before the Council enters into any binding legal agreements relating to the new TWAM governance arrangements.
- (viii) A review of the effectiveness of the arrangements at the end of the first year to ensure that the governance structures are fit for purpose.

CONTACT: Lindsay Murray, ext. 2794

Policy Context

1. The proposal will help deliver Vision 2030's ambitions for a Creative Gateshead as well as the Council Plan priorities of Live Love Gateshead and Live Well Gateshead. Finally, it addresses the ambitions and helps deliver the 5 big ambitions of the Creative Gateshead Culture Strategy.

Background

2. Financial pressures mean that TWAM has to generate additional earned income to balance its budgets and maintain the quality of its service.
3. Following the withdrawal of Sunderland City Council from the TWAM Joint Committee on 1 April 2013, the four remaining local authorities considered it expedient to retain a Joint Service and drew up a new one-year Agreement which reflected the change and allowed them sufficient time to assess the implications of their new circumstances. That Agreement expired at the end of March 2014. It was renewed for a further two years and expired at the end of March 2016.
4. A further agreement is now required for the period 1 April 2016 – 31 May 2017, when the Joint Committee it is proposed that it should transfer its responsibilities to a new Strategic Board and then be dissolved. In the absence of a signed Agreement covering the first half of this financial year, the partners have continued to operate under the terms of the previous agreement.

The need for new Governance Arrangements

5. Following the withdrawal of Sunderland, the Joint Committee decided that a review of its governance would be beneficial. It commissioned Bond Dickinson to lead the review.
6. It is proposed that a new Strategic Board, on which local authority stakeholders will continue to be represented but which also admits membership from Newcastle University and the private sector, should be established and should take up its responsibilities at the start of the new municipal year. A Trading Company which enables the organisation to take advantage of the new commercial expertise on the Board should be formed at the same time. The Joint Committee should be dissolved at the end of this municipal year and its responsibilities transferred to the new Strategic Board and Trading Company from 1 June 2017. A 'Shadow' Board should operate alongside the Joint Committee between 1 April and 31 May 2017.

Strategic Board

7. The terms of reference and proposals for membership for the Board will be based on the following 'heads of terms':

- the purpose of the board is to provide scrutiny and leadership, democratic accountability, and enterprise support and challenge;
 - the board should include at least one representative from each partner local authority and this should be a cabinet member in that authority;
 - the Board should provide for representation by Newcastle University, now TWAM's second largest 'funding client';
 - as at present, ACE will require observer status;
 - it is suggested that there should be 4-6 independent members who will each serve for a fixed term; Elected members will form the majority of the Strategic Board.
 - all members of the Strategic Board should act within a 'Nolan' type framework, representing the best interests of TWAM and no outside interest.
 - The Chair will be independent and recruited to a specific job description
 - The Vice Chair of the Strategic Board will be reserved for an elected member of one of the constituent local authorities
 - Establishing the new Strategic Board signals a new way of working which will give TWAM the flexibility it will need to survive and thrive, delivering high quality museums and archive services for all the partners. The functions of the Strategic Board will normally be determined by a consensus process. When the Strategic Board is discharging Local Authority functions such as budgets, finance, ownership of collections etc. only elected members on the Strategic Board will have the right to vote.
 - Ensure that the new arrangements are appraised on an ongoing basis in the first year of implementation. A review of the effectiveness of the arrangements can be given at the end of the first year to ensure that the governance structures are fit for purpose.
8. Discussion at the Joint Committee suggested that consideration should be given to the involvement of non-cabinet members. This proposal has yet to be formally adopted or agreed but could be achieved if two non-cabinet members joined the board on a rotating basis by authority

Executive decisions

9. The Bond Dickinson report noted that there are some powers and rights that elected members may wish to reserve to themselves, particularly those which have significant financial implications for the constituent local authorities or a bearing on the use of assets. Such issues will be identified and reserved to the elected members on the Board.

Trading Company

10. The proposed new trading company would be wholly-owned by TWAM partner authorities and Newcastle University, which is responsible for Great North Museum: Hancock and the Hatton Gallery and their collections, all of which are managed by TWAM. A shareholders' agreement will be required.

11. A business plan showing the trading company's viability has been completed. TWAM, Newcastle City Council's Legal Services Department and Bond Dickinson have developed framework for the establishment of the company. In the first instance, a relatively small number of local authority staff will TUPE transfer to the trading company on the basis that their existing terms and conditions of employment will be maintained and that they will retain the right to continued membership of the LGPS. Formal consultation with employee representatives will begin once approval has been given to establish the Trading Company.
12. It is proposed that the company's non-executive board would consist of:
 - Director of TWAM
 - Head of Finance, TWAM
 - Representative(s) of Strategic Board – possibly 1 elected, 1 independent
 - Senior external retail expert
 - 1 or more other business experts

Consultation

13. All Cabinet members have been consulted on this proposal.

Alternative Options

14. The alternative option is to continue with the current agreement and structures, however this would present significant financial risk to TWAM and potentially compromise £16m of Arts Council England funding.

Impact of Recommended Options

15. Approval will confirm for ACE that TWAM has appropriate governance arrangements in place for the period 2018-22 and will demonstrate positive change as TWAM applies for grant aid of up to £16m.

Implications of Recommended Option

16. Resource Implications

- a. **Financial Implications** - The Strategic Director, Corporate Resources confirms that there is no direct financial implication from the content of this report. The Council's contribution for 2016/17 to TWAM is £227,770; future years' contributions will be determined as part of the Council's normal budget setting process.
- b. **Human Resources Implications** - The Director of Corporate Services and Governance has been consulted. It has been confirmed there are no direct HR implications associated with Gateshead Council
- c. **Property Implications** - There are no property implications from this recommendation.

17. Risk Management Implications

There are two principal risks to TWAM associated with the proposals in this report. These will come in 2017/8 and the years that follow:

1. if any of the four constituent authorities is unable to maintain its financial commitment. This would jeopardise the ACE funding which supports the services. Mitigation is provided by the strong engagement of all partners.
2. If TWAM does not achieve National Portfolio Organisation funding for the period 2018-22. The measures included in this report provide significant mitigation against this risk.

18. Equality and Diversity Implications

There are no equality and diversity implications from this recommendation.

19. Crime and Disorder Implications

There are no crime and disorder implications from this recommendation.

20. Health Implications -

There are no health implications from this recommendation.

21. Sustainability Implications – As outlined under point 28, there are risks to the future sustainability of TWAM if these recommendations are not supported.

22. Human Rights Implications - There are no human rights implications from this recommendation.

23. Area and Ward Implications - All wards are impacted by this proposal.

24. Background Information - None

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TITLE OF REPORT: Childcare Sufficiency Report 2016**REPORT OF: Sheila Lock, Interim Strategic Director, Care Wellbeing and Learning**

Purpose of the Report

1. To inform Cabinet of the availability and sufficiency of childcare in Gateshead in order to fulfil the local authority duties as documented within the Childcare Act 2006 (amended by The Children and Families Act 2014).

Background

2. Since the last sufficiency assessment, September 2015, the number of childcare places has decreased from 5,943 in 2015 to 5,772 in 2016, a decrease of 2.9%. This is mainly in the west of Gateshead, although a number of these places are now being run directly by schools and, therefore, do not require a separate Ofsted registration. The number of childminders has also declined since last year from 149 in 2015 to 131 in 2016. This reduction is in line with the national trend.
3. Overall there are sufficient places to cater for current demand with the exception of places for funded 2 year old children who are statutorily eligible for 15 hours of early education per week. Additional places are needed in the Felling, Crawcrook and Whickham areas. A project is underway to create places in the Felling Hub and a provider has been selected to operate the provision. Funding has been secured to create places on the Emmaville Primary School site and funding is also in place in the Whickham area, subject to planning permission being granted.
4. Quality of childcare provision has remained high with the following types of provision being graded Good, Outstanding or Met by Ofsted; 100% of daycare providers, 100% of pre-schools, 95.5% after school clubs, 100% breakfast clubs, and 100% holiday clubs. The sector that requires the greatest support is childminders where 91% are graded Good, Outstanding or Met.
5. There are 38 childcare providers which are newly registered and have yet to be inspected. These comprise of 16 childminders, 7 day nurseries, 5 out of school clubs, 2 breakfast club, 2 holiday club and 6 home child carers. Ofsted now carry out first inspections within the first 30 months of operation following registration.
6. Evidence shows that higher quality provision has greater developmental benefits for children, particularly for the most disadvantaged. Government has indicated that, as far as is possible, early education for two-year olds should be delivered by providers who have achieved an overall rating of Outstanding or Good or has yet to be inspected. Within Gateshead, this continues to be achieved.
7. The level of occupancy of each type of childcare is a key indicator of sufficiency. As can be seen in the attached report, the very high levels of occupancy may indicate

that some unmet parental demand exists, especially on the more popular days of the week. However, there has been no unmet need reported to the Family Information Service.

8. Occupancy levels overall have risen from 83.3% in 2015 and now stand at 90% or above across the sector. The increase in occupancy is largely due to continued growth in the take up of two year old funded places and the reduction in the numbers of registered childminders.
9. The Council has a statutory duty to provide 15 hours per week of free early education for eligible 2 year olds. Across Gateshead in September 2014, take up was 67% of eligible families; by June 2015 this had risen to 77.6% and now stands at 83%.
10. The Council also has a statutory duty to provide sufficient 15 hour places of free early education for all 3 and 4 year olds across Gateshead. The current take up of Early Education for 3 and 4 Year Olds has increased since last year and is very high at 98%.
11. From September 2017 working parents of 3 and 4 year olds will be eligible to 30 hours of free early education instead of the current 15 hours. The Government intends that the extended entitlement should be delivered in a way that provides flexibility and quality for parents. Gateshead has been awarded Early Innovator status to support the national roll out of this initiative.
12. The DfE has indicated that there will be on average 1,370 eligible children in Gateshead. The number of new childcare places that will be needed depends not only on how many eligible children take up the new entitlement but also the extent of existing places currently being paid for by parents.
13. Costs of all types of provision with the exception of breakfast clubs has risen over the last year. Day nurseries and holiday clubs have increased the most at 5% which may be as a result of the increase to staffing costs as a result of the increase to the minimum wage and the introduction of the living wage.
14. In Gateshead there has been no increase in funding rates paid to providers since 2009. The Government has recently consulted with local authorities and the sector on reforms to the way local authorities are funded by Government and the way this money is distributed to providers. The outcome of this consultation is expected in December and some providers are postponing a decision as to whether they will offer the 30 hours until funding rates are confirmed.
15. There have been a small number of houses built over the last year in Gateshead none of which were large enough to have an impact on sufficiency.

Proposal

16. Officers continue to monitor childcare sufficiency and take action as appropriate to address any gaps as and when identified, particularly in relation to the 30 hour entitlement to minimise any risk to current 2 year old places being allocated to 3 and 4 year olds.

Recommendation

17. It is recommended that Cabinet note the contents of the report and the attached Childcare sufficiency Report of September 2016 and approves the proposal to allow officers to address gaps in provision when identified.

For the following reason

In order to fulfil statutory duties and ensure sufficiency of childcare places within Gateshead.

APPENDIX 1

Policy Context

1. The Childcare Act 2006 (Section 6) places a duty on local authorities to “secure sufficient childcare, so far as is reasonably practicable, for working parents, or parents who are studying or training for employment, for children aged 0-14 (or up to 18 for disabled children)”. In addition, Section 7 of the Act places a duty on Local Authorities to secure sufficient Early Years funded provision free of charge. These duties require Local Authorities to shape and support the development of Early Education and childcare in their area to make it flexible, sustainable and responsive to the needs of the local community.
2. Local authorities also have a duty (under section 11 of the Act amended by the Children and families Act 2014) to undertake an annual childcare sufficiency assessment and report the findings to elected members, published on the council website and made available to parents upon request.

Background

3. Gateshead has a mixed childcare market consisting of; 32 day nurseries, 24 pre-schools, 27 after school clubs, 21 breakfast clubs, 14 holiday clubs, 131 childminders and 10 home childcarers, all of which are registered with Ofsted.
4. Some schools also provide their own breakfast and after school clubs and these are not registered separately with Ofsted.
5. An on-line template was created and pre-populated with each provider’s basic information. An email was then circulated to all settings to request that they review and amend this information. Results were imported directly to the database and where providers did not do this within a deadline they were encouraged by EY officers to do so. This led to a 97.6% return for group providers and 88% from non-group providers. Information was gathered via e-mail from all primary schools about breakfast, after school and holiday schemes directly delivered by schools.
6. This information has been analysed in order to report on any potential gaps in childcare.
7. Workshops have been held for the maintained and the private sector to assist with their planning for the implementation of the 30 hour entitlement although some concerns still exist about the funding rates to providers and hence their overall sustainability.

Consultation

8. The Cabinet Member for Children and Young People has been consulted.

Alternative Options

9. The childcare market is not monitored which may result in insufficient childcare places for all ages of children and therefore failure to comply with statutory duties.

Implications of Recommended Option

10. Resources:

- a) **Financial Implications** – The Strategic Director, Corporate Resources confirms that there are no direct financial implications as a result of this report.
- b) **Human Resources Implications** – None arising directly from this report.
- c) **Property Implications** - There are no direct property implications arising directly from this report. Should any property be identified from within the council's property portfolio which could be used to deliver nursery provision for either 2 year olds or 3-4 year olds in areas where further places area required, it will be the subject of a separate report.

11. **Risk Management Implication** - Insufficient childcare places to meet parental demand.

12. **Equality and Diversity Implications** - No implications as childcare provision is inclusive.

13. **Crime and Disorder Implications** – None

14. **Health Implications** – This report supports the opportunity to give children the best start in life.

15. **Sustainability Implications** - None

16. **Human Rights Implications** - None

17. **Area and Ward Implications** - All

Background Information

Statutory Framework for the Early Years Foundation Stage March 2014
Early Education and Childcare: Statutory Guidance for Local Authorities September 2014
More Great Childcare January 2013
More Affordable Childcare 2013

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Childcare Sufficiency Report

September 2016

Gateshead Council

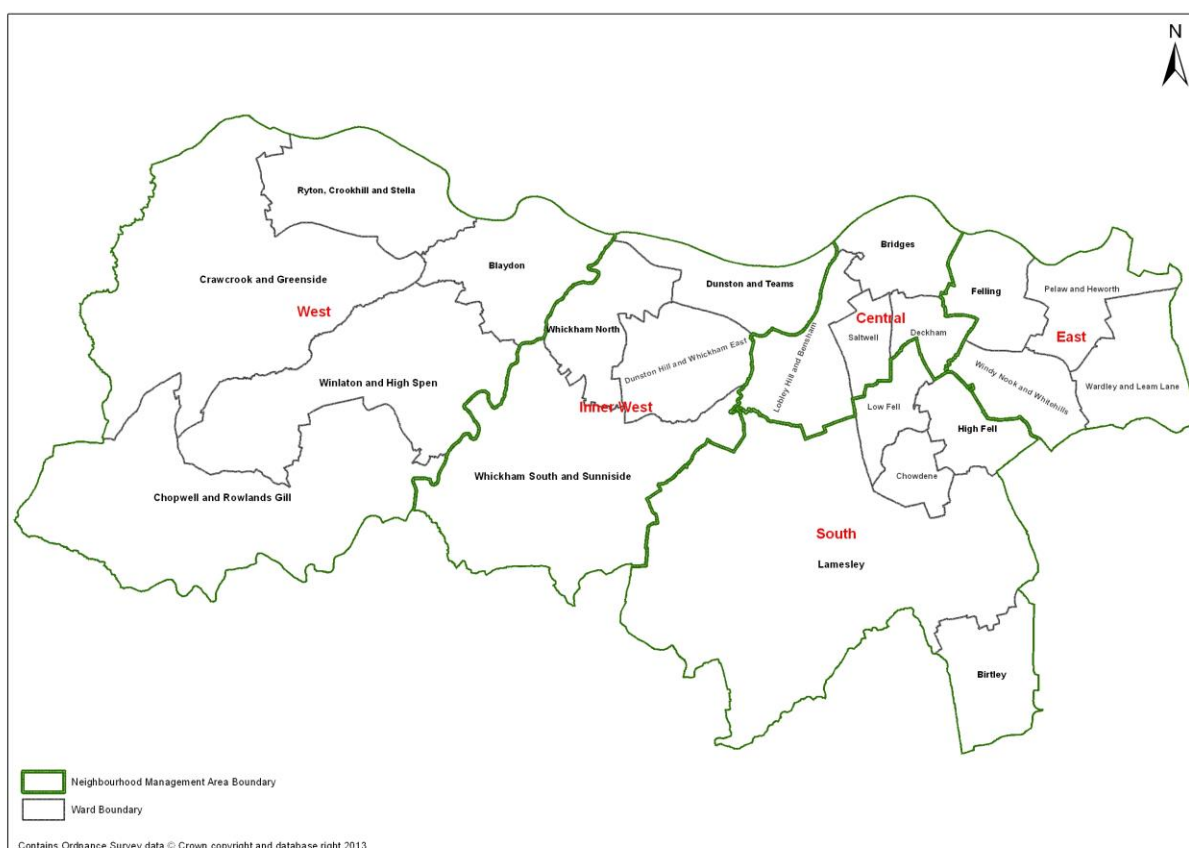
Introduction

The Childcare Act 2006 (Section 6) places a duty of Local Authorities to “secure sufficient childcare, so far as is reasonably practicable, for working parents, or parents who are studying or training for employment, for children aged 0 – 14 years (or up to 18 for disabled children).” This duty requires Local Authorities to shape and support the development of childcare in their area to make it flexible, sustainable and responsive to the needs of the local community.

The Children and Families Act 2014 has repealed Section 11 of the Childcare Act 2006. This means that Local Authorities no longer have to undertake and publish a detailed and prescribed CSA every 3 years. Instead, an annual sufficiency report will be published.

The Government wants to ensure that parents can easily access information about childcare and other services in their area. Through the Childcare Act 2016, the Government will require local authorities to publish information which will support parents to make informed choices about childcare. Regulations are expected to set out how data should be published and the frequency of publication.

Information given below is divided between the 5 Neighbourhood areas in Gateshead, Central, East, Inner West, South and West (see map below).



The data used to inform this refresh largely covers the period 31st September 2015 to 31st September 2016.

There have only been minor changes in population of children 0 – 14 years when compared against last year's figures, these have stabilised and the upward trend has stopped (against the national trend).

Methodology

This was the first year using a paperless system. An online template was created and pre-populated with each provider's basic information. An email was circulated to all settings to request they completed this audit online. All providers had to sign a data agreement form and had to follow general instructions to have access to the online portal. Results were imported directly to our database. Providers who had not completed these forms within the deadline were followed-up by telephone and urged to complete online by Early Years Officers.

This approach had some problems as a small minority of providers found completing the audit online challenging leading to 97.6% return for group providers and a 88% return from non-group providers (childminders and home childcarers).

Number of Providers and Places

We have a mixed market providing childcare places in Gateshead, comprising 131 childminders, 32 day nurseries, 24 pre-schools, 27 after school clubs, 21 breakfast clubs, 14 holiday clubs and 10 home childcarers. All of these places are registered with Ofsted but there are also breakfast, after school and holiday club run by schools which do not require a separate Ofsted registration.

The number of childminders has declined since last year, from 149 in 2015 to 131 in 2016, with numbers decreasing in all areas, but most significantly in the South and West NMAs. This decline in the numbers of childminders seen over recent years in Gateshead, mirrors the national trend.

The number of Day nurseries and pre-schools remain the same as last year. One day nursery has closed on the site of the Queen Elizabeth Hospital but another provider has opened on the same site.

Two new out of school clubs have been opened in the South (52 places) while 1 out of school opened (but is not running yet) and 1 closed in the West with a loss of 24 places.

Two breakfast clubs have closed in South and 1 in the East.

The numbers of Home childcarers has declined slightly since last year (1 in the Inner West).

Despite this movement in the sector, the number of places on offer in the PVI sector has slightly decreased by 2.9%, although a number of these places are now being run directly by schools and have therefore only lost their Ofsted registration.

Occupancy

The level of occupancy of each type of childcare is a key indicator of sufficiency. Occupancy remains high across all types of early education and childcare.

From the information that we have received from childminders, occupancy has risen from 75.3% in 2015 to 90.25% in 2016.

Occupancy in day nurseries has risen from 85.7% in 2015 to 92.66% in 2016. There has been a similar increase in occupancy in pre-schools (85.2% in 2015 to 91.44% in 2016).

Whilst breakfast and after school clubs are registered for children up to 8 years of age, there are no regulations governing how many children 8 years and over that may attend. Occupancy has been assessed against Ofsted registered places and occupancy for breakfast clubs now stands at 91.16% (79.3% in 2015) and 89.68% for after school clubs (88.6% in 2015). Occupancy in holiday clubs has risen from 80% in 2015 to 93.18% in 2016.

There has been no unmet need reported as an enquiry to FIS.

Costs

In Gateshead, the cost of all types of childcare except after breakfast clubs has risen over the last year.

Costs at day nurseries have risen by 5%, at after school clubs by 1.8% increase while breakfast clubs have decreased costs by 5.9%. Pre-schools offer a combination of 3 hour and 5 hour session, on average they show an increase in cost of 2.8%.

Cost of holiday clubs have increased by 5.7%. Average daily costs in 2015 were £19.80 and are now £20.93, which is against the national trend (1.9% decrease over the last 12 months – Holiday Childcare Survey 2016).

Costs charged by childminders have increased by 0.52%, less than the 2.1% increase reported in 2015. Childminders are competing on cost with group providers such as day nurseries, pre-schools and out of school clubs. However, on average, for children over 2, childminders have a slightly higher hourly rate than day nurseries.

The annual national childcare costs survey for 2016 reports that nursery costs rose by only 1.1% (considerably less than 5.7% they reported last year) and childminder costs by 0.2% (4.5% last year).

These increases are well above the rate of inflation, which in Summer 2016 stood at 1 per cent, double the previous year of 0.5%.

Funded Early Education

The Council has a statutory duty to provide sufficient 15-hour places of free early education for all 3 and 4 year olds across Gateshead. The current take up of Early Education for Three and Four Year Olds remains stable and very high at 98%. In June 2016, there were 2,012 children (53%) accessing their free entitlement in school nurseries and 1,767 children (47%) in PVI nurseries. This is an increase of 1% more children accessing their free entitlement in the PVI sector in summer 2016 compared to the summer term in 2015.

The Council also has a statutory duty to provide 15 hours per week of free early education for eligible 2 year olds. This duty came into effect from September 2013 for 20% of all 2 year olds and was extended to include 40% of all 2 year olds from September 2014.

Eligibility for the initial 20% of children is the same as for Free School Meals (FSM) and included Looked After children (LAC). The eligibility criteria for the additional 20% of 2 year olds are an extension of benefits criteria, some children with Special Educational Needs and Disabilities and children who have left care through special guardianship, adoption or arrangement orders.

Across Gateshead in September 2014, take up was 67% of eligible families. By June 2015, this had risen to 77.6% and now (September 2016) stands at 83%.

Additional places for eligible two year olds are required in the Felling, Crawcrook and Whickham areas.

A project is underway to create places in the Felling hub and a provider has been selected to operate the provision. This project will create up to 50 full time places.

Overall, the West area has good take-up. However, this masks an underlying issue with places in the Crawcrook area and funding has been secured to create places on the Emmaville Primary School site. This project will create 26 full time places.

Funding is also in place for a project in the Whickham area, which will go ahead once planning permission is granted. This project will create 26 full time places for eligible two year olds.

Childcare Act 2016

The Childcare Act 2016 is intended to deliver the Government's election manifesto commitment to give families where all parents are working an entitlement to 30 hours of early education for their three and four year olds. This means a total of 1,140 free hours per year; 570 through the existing universal early education entitlement for all three and four year olds and 570 through the new entitlement. The additional 570 hours for working parents will help families by reducing the cost of childcare and supporting parents to work.

To be eligible, parents must meet the following criteria:-

- Working parents with children aged three and four,
- Parents working part-time or full-time – each parent must be working the equivalent of 16 hours per week at the national minimum wage,
- Parents who are employed or who are self-employed and lone parents who are working the equivalent of 16 hours per week at the national minimum wage to support their families.

It is the Government's intention that the extended entitlement should be delivered in a way that provides flexibility and quality for working parents. The number of new childcare places that will be needed depends not only on how many eligible parents take up the new entitlement but also the extent to which they already pay for additional hours of childcare over and above the existing 15 funded hours.

The Government has also launched a review of the cost of providing care and education and has given a commitment to increase the average rate paid to providers.

Quality

Within Gateshead all funded 2 year olds are in Good or Outstanding provision or provision that is yet to be inspected. Evidence shows that higher quality provision has greater developmental benefits for children, particularly for the most disadvantaged children. Government has indicated that, as far as is possible, early education for two-year olds should be delivered by providers who have achieved an overall rating of Outstanding or Good in their most recent Ofsted inspection report or awaiting their first inspection.

Ofsted now carry out first inspections within the first 30 months of operation following registration. The previous time scale was between 5 and 7 months.

Quality remains generally high across Gateshead with the following types of provision being graded Good, Outstanding or Met by Ofsted; 100% of daycare providers, 100% of pre-schools, 95.5% after school clubs, 100% breakfast clubs, 100% holiday clubs and 100% of home childcarers,

Quality standards of childminders has risen since the last sufficiency assessment. In June 2015, 76.9% of childminders were graded as Outstanding, Good or Met. By June 2016, this had risen to 91%. Over the same period, the number of childminders graded as Satisfactory/Requires Improvement or not met has fallen from 17.7% to 9%.

The quality of childcare provision in Gateshead compares very favourably with national statistics. In March 2016, Ofsted reported that 83% of childminders and 90% of early years group provision nationally was graded Good or Outstanding.

The North East continued to have the highest proportion (96%) of providers judged good or outstanding for overall effectiveness.

From "Childcare providers and inspections as at 31st March 2016: Key Findings" - Ofsted

Whilst the improvements listed above are welcome, there still remains 11 childminders (a drop from 29 childminders in 2015) who are graded by Ofsted as Satisfactory, Requires Improvement or Not Met. The childminder sector is the one that continues to require the greatest level of support and Officers from the Early Years and Childcare Service and Education Gateshead but not all childminders are willing to engage fully with officers.

New Housing Developments

The Gateshead Local Plan provides a strategy for delivering 11,000 new homes and it will take until 2030 for the full plan to be completed.

Between 2012 and 2015, a relatively small number of homes have been built in Bensham, Birtley and Gateshead town centre. These developments have not posed any sufficiency issues.

Between 2015 and 2020, housing developments are planned in a number of areas. The potential increased demand for childcare places may give rise to sufficiency issues in Bensham, Birtley, Crawcrook, Felling and Ryton areas.

A small number of houses have been built over the last year in a variety of locations across Gateshead, none of which were large enough to have an impact on sufficiency.

Officers will continue to monitor supply and demand of places and continue to report their findings year on year.

Schools

Telephone calls from Early Years Officers were made to all the schools in Gateshead during the Summer Term asking for information on any Breakfast Clubs, Out of School Clubs and Holiday Clubs that they might run.

These clubs do not require a separate Ofsted registration and are therefore not included in any of the earlier analysis.

We received a 100% return. Analysis of these responses are included in Appendix A.

Special Educational Needs and disability (SEND)

A child or young person has special educational needs (SEN) if he or she has learning difficulties or disabilities that make it harder for him or her to learn than most other children and young people of about the same age. Many children and young people who have SEN may also have a disability.

The total of pupils in Gateshead schools has risen in 2016 from 2015 by 143 and the percentage of children with SEN statement or EHC plan has risen 0.2% to 3.0% while figures for the North East and England have stabilised.

Children with SEND in Gateshead can be referred to the Early Years Assessment and Intervention Team who can offer assessment of the child and advice and support to a setting. The EYAIT team work in settings with children from 2+ years. At the beginning of September 2014 there were 90 children on the EYAIT caseload and 131 new referrals were made during the academic year. The academic year 2014-2015 was the first full year the EYAIT was in existence. In September 2015 there were 106 on the EYAIT caseload before any new referrals were made to the team. In September 2016 there were 115 on the caseload and 114 new referrals made.

Conclusion

In Gateshead we have a strong and stable mixed economy of childcare places and apart from Felling, Whickham and Crawcrook, there are sufficient childcare places to meet current demand. The quality of the vast majority of these places has been judged by Ofsted to be high.

Although costs have risen, they are in line with regional and national charges.

There is little flexibility to be found in schools that offer early education for 3 and 4 year olds but this does offer private providers a unique selling opportunity. However, the introduction of 30 hours of free entitlement for eligible 3 and 4 year olds, is leading to some schools considering more flexible provision.

The existing high levels of occupancy matched with growth in demand for 3 and 4 year old places and significant housing developments in certain areas, could lead to the need to develop new childcare places in a number of areas.

Gateshead is one of 25 local authorities who have been asked by the Department for Education to carry out work relating to the introduction of 30 hour provision for 3 and 4 year olds. Our Early Innovator status requires us to look specifically at sufficiency and flexibility of places. In carrying out this work, officers remain mindful of the need to maintain the current number of places for eligible 2 year olds.

Officers will continue to provide information on a yearly basis and will endeavour to continue to manage the childcare market on behalf of the Local Authority and work in partnership with interested partners.

Appendix A

Childcare Sufficiency Data

Provider Statistics	Central	East	Inner West	South	West		Total
Number of Providers							
Childminder	24	26	20	28	33		131
Day Nursery	11	3	3	9	6		32
Pre School	1	2	7	8	6		24
Out of School Club	4	2	8	5	8		27
Breakfast Club	2	1	8	4	6		21
Holiday Club	3	2	3	3	3		14
Home Childcarer	2	0	3	5	0		10
Total	47	36	52	62	62		259
Child Registered Places	Central	East	Inner West	South	West		Total
Childminder	128	131	111	132	156		658
Pre School	35	51	203	233	188		710
Day Nursery	819	152	294	692	255		2,212
Out of School Club	188	62	258	190	233		931
Breakfast Club	98	30	230	170	201		729
Holiday Club	148	46	119	112	107		532
Total	1,416	472	1,215	1,529	1,140		5,772
Occupancy (%)	Central	East	Inner West	South	West		Total
Childminder	89.84	82.44	96.40	90.9	91.67		90.25
Pre-school	85.71	100	96.62	98.28	79.6		91.44
Day Nursery	92.98	86.84	93.88	94.11	95.49		92.66
Out of School Club	85.60	100	83.85	100	78.97		89.68
Breakfast Club	100	100	87.35	90.59	77.84		91.16
Holiday Club	95.12	100	76.47	100	94.31		93.18

Costs (in pounds - £)							
Childminder hourly cost under 2	Central	East	Inner West	South	West	OOB	Gateshead
Max	7	4.50	4.20	5	6		
Min	3.5	3.25	2.50	3.50	3		
Average	4.22	3.90	3.58	3.94	3.75		3.88
Childminder hourly cost over 2	Central	East	Inner West	South	West		Gateshead
Max	7	4.50	4.20	5	6		
Min	3.5	3.25	2.50	3.50	3		

Average	4.22	3.90	3.58	3.94	3.75		3.88
Pre-School session	Central	East	Inner West	South	West		Gateshead
Max	11	12	15	16.50	15		
Min	11	12	9	8	9.80		
Average	11	12	11.29	12.12	12.76		11.83
Day Nursery under 2	Central	East	Inner West	South	West		Gateshead
Max	45	45	41.50	48.50	46		
Min	4.60	40.50	39.25	40	38		
Average	33.04	42.75	40.25	45.08	41.18		40.46
Average cost per hour (based on 10hr day)	3.30	4.28	4.03	4.51	4.12		3.45
Day Nursery over 2	Central	East	Inner West	South	West		Gateshead
Max	45	42.75	38.05	46.50	41.50		
Min	4.60	36	36.25	38	36		
Average	31.13	38.35	37.10	42.50	38.67		37.55
Average cost per hour (based on 10hr day)	3.11	3.84	3.71	4.21	3.87		3.75
OOSC	Central*	East	Inner West	South	West		Gateshead
Max	9.95	9	9.60	10	12		
Min	2	7	7	8	8.40		
Average	7.59	8	8.31	8.5	9.57		8.39
Average cost per hour (based on 3 hr session)	2.53	2.67	2.77	2.83	3.19		2.8
Holiday Club (per day)	Central	East	Inner West	South	West		Gateshead
Max	23.50	18	22	20	38		
Min	18	18	18	19.50	20		
Average	20.88	18	20	19.75	26		20.93
Breakfast Club	Central	East	Inner West	South	West		Gateshead
Max	4.75	4.00	8	5	6		
Min	4.75	4.00	3	4.2	3.3		
Average	4.75	4.00	5.37	4.55	4.38		4.61
Funding Statistics							
3 & 4yr funding total take-up	98%	Statistical First Release	Was 97% last year via Statistical first release				
Ofsted Grades							
Childminders	Central	East	Inner West	South	West		Total
Outstanding	0	0	1	1	2		4 (3%)
Good	12	17	12	22	25		88 (76%)
Satisfactory/Requires Improvement	2	0	1	0	3		6 (5%)
Inadequate	0	0	0	0	0		0 (0%)
Met	2	4	1	3	3		13 (11%)
Not Met	1	1	3	0	0		5 (4%)
New – No Grade	7	2	4	2	1		16

Total	24	24	22	28	34		132
Day Nurseries	Central	East	Inner West	South	West		Total
Outstanding	3	0	0	3	0		6 (24%)
Good	7	2	3	3	4		19 (76%)
Satisfactory/Requires Improvement	0	0	0	0	0		0 (0%)
Inadequate	0	0	0	0	0		0 (0%)
New – No Grade	1	1	0	3	2		7
Total	11	3	3	9	6		32
Pre-Schools	Central	East	Inner West	South	West		Total
Outstanding	0	1	1	0	2		4 (17%)
Good	1	1	5	8	4		19(79%)
Satisfactory/Requires Improvement	0	0	0	0	0		0 (0%)
Met	0	0	1	0	0		1 (4%)
New	0	0	0	0	0		0
Total	1	2	7	8	6		24
Out Of School Clubs	Central	East	Inner West	South	West		Total
Outstanding	0	0	0	0	0		0 (0%)
Good	3	1	6	5	5		20 (91%)
Satisfactory/Requires Improvement	0	0	0	0	0		0 (0)
Met	0	0	1	0	0		1 (4.5%)
Not Met	1	0	0	0	0		1 (4.5%)
New – No Grade	0	1	1	0	3		5
Total	4	2	8	5	8		27
Breakfast Clubs	Central	East	Inner West	South	West		Total
Outstanding	0	0	0	0	0		0 (0%)
Good	2	1	6	4	5		18 (95%)
Satisfactory/Requires Improvement	0	0	0	0	0		0 (0%)
Met	0	0	1	0	0		1 (5%)
Not Met	0	0	0	0	0		0 (0%)
New – No Grade	0	0	1	0	1		2
Total	2	1	8	4	6		21
Holiday Clubs	Central	East	Inner West	South	West		Total
Outstanding	0	0	0	0	0		0 (0%)
Good	3	2	2	2	2		11 (92%)
Satisfactory/Requires Improvement	0	0	0	0	0		0 (0%)
Inadequate	0	0	0	0	0		0 (0%)
Met	0	0	1	0	0		1 (8%)
Not Met	0	0	0	0	0		0 (0%)
New – No Grade	0	0	0	1	1		2
Total	3	2	3	3	3		14
Home Childcarer	Central	East	Inner West	South	West		Total
Met	2	0	1	1	0		4 (100%)
Not Met	0	0	0	0	0		0 (0%)
New – No Grade	0	0	2	4	0		6
Total	2	0	3	5	0		10

Schools Data - 2016

Neighbourhood areas	Central	East	Inner West	South	West	Total
Primary Schools who run a Breakfast Club	10	8	3	9	10	40
Highest cost session	£2	£5.50	£4.50	£3	£3.50	£3.70
Lowest cost session	Free	Free	Free	Free	Free	Free
Average cost session	£0.54	£1.78	£2	£1.50	£1.70	£1.61
Free	7	2	1	3	1	14
Primary Schools who run an OOSC	5	1	2	3	6	17
Highest cost	£2	£9	£7.50	Free	£8.25	£5.35
Lowest cost	Free	£9	Free	Free	£5.00	£1.80
Average cost	£0.75	£9	£3.75	Free	£4.21	£3.54
Free	2	0	1	3	Nil	6
Primary Schools who run a Holiday Club	Nil	Nil	Nil	1	1	2
Highest cost	Nil	Nil	Nil	£8	£15	£11.50
Lowest cost	Nil	Nil	Nil	£8	£15	£8
Average costs	N/A	N/A	N/A	£8	£15	£11.50

Gateshead Population

	Central	East	Inner West	South	West		Total
Population							
Persons 0 - 2	1,056	805	699	968	952		4,480
Persons 2 - 3	536	466	368	504	473		2,347
Persons 3 - 4	1,106	887	760	1,032	1,028		4,813
Persons 5 - 11	3,159	2,740	2,520	3,514	3,374		15,307
Persons 12 - 14	1,097	1,123	1,012	1,488	1,390		6,110
(Based on Office for National Statistics Mid Year Population Estimates for 2014)	6,954	6,021	5,394	7,506	7,217		33,057

All schools: Pupils with SEN statement/ EHC plan, based on where the pupil attends school, January 2015 and January 2016

Data taken from "Special educational needs in England: January 2016" Department for Education

Total number of pupils - 2015	Pupils with Statements	% of pupils		Total number of pupils - 2016	Pupils with statements or EHC plans	% of pupils
29,699	843	2.8	Gateshead	29,842	891	3.0
393,805	11,590	2.9	North East	398,023	11,686	2.9
8,439,145	236,165	2.8	England	8,559,540	236,806	2.8

TITLE OF REPORT: Gateshead Highways Asset Management Plan

REPORT OF: Paul Dowling, Strategic Director, Communities and Environment

Purpose of the Report

1. This report seeks approval of updates to the approved Gateshead Highways Asset Management Plan (HAMP).

Background

2. Gateshead's road network provides a fundamental resource, essential both to the economy of the area and for the quality of life for residents and visitors. Its effective management and maintenance has an impact on activity of all kinds, from day to day journeys to work, school, shopping or for leisure, through to the needs of the emergency services and the road freight industry.
3. The Council's first HAMP was approved in 2014 (a summary of this is attached as Appendix 3). In order to ensure the document remains relevant and up to date it is important it is reviewed regularly. Failure to undertake such reviews could affect the Council's rating against Department for Transport performance guidelines, with consequent impacts on funding allocations.

Proposal

4. The broad content of the approved HAMP remains relevant. However, since its original publication further work has identified additional matters, and given further emphasis to some existing ones. Accordingly, an addendum to the HAMP has been produced (attached as Appendix 2). This:
 - summarises progress in implementing the HAMP;
 - updates the previous list of priority actions;
 - provides additional information on long term funding needs for highway maintenance.

Recommendation

5. It is recommended that Cabinet approves the addendum to the Highways Asset Management Plan for Gateshead attached as Appendix 2.

For the following reason:

To provide the basis for improved management and maintenance of Gateshead's highway network and ensure the effective use of resources.

Contact: Anneliese Hutchinson: EXT 3881

Policy Context

1. The proposals are in line with Vision 2030, and in particular support the big ideas of 'City of Gateshead', 'Sustainable Gateshead' and 'Active and healthy Gateshead'. The proposals also support the Tyne & Wear Local Transport Plan (LTP).

Background

2. Gateshead's road network provides a fundamental resource, essential both to the economy of the area and for the quality of life for residents and visitors. Its effective management and maintenance has an impact on activity of all kinds, from day to day journeys to work, school, shopping or for leisure, through to the needs of the emergency services and the road freight industry. Work undertaken to assess the value of the highway asset estimates this to be over £1.8 billion.
3. The preparation of a Highways Asset Management Plan (HAMP) is recognised as best practice in defining the approach towards managing and maintaining the highway network. It is an approach supported by the Department for Transport (DfT) and national industry bodies.
4. The DfT provides capital funding for road maintenance through the Local Transport Plan. Part of the funding allocation is now dependent upon performance, based on a self-assessment questionnaire. Having an up to date HAMP is one of the essential requirements in progressing above the lowest (band 1) rating.

Gateshead HAMP

5. The existing HAMP considers various matters affecting maintenance of the highway network. These range from major background issues such as climate change through to a more detailed appraisal of the current position on different asset types. A summary of the existing HAMP is attached as Appendix 3.
6. The current HAMP identifies priority actions. The Addendum at Appendix 2 reports progress against actions and provides an update based on new issues which have been identified. These include:
 - additional problems with the condition of specific types of asset, notably geotechnical assets (embankments) and vehicle restraint systems (crash barriers);
 - although condition of the main road network has remained stable, the condition of unclassified roads has deteriorated. Although these are the most lightly trafficked roads, they do make up some $\frac{3}{4}$ of the network;
 - anecdotal information suggests the condition of road signs and lines is also deteriorating;
 - a significant backlog of reactive repairs has built up;
 - publication of a revised Code of Practice for highways maintenance management is expected later this year. This will have implications for policies relating to highways inspection and repair.
7. The Addendum also provides additional text in relation future maintenance needs, and the funding needed to support this. This remains at a relatively early stage, with figures likely to be subsequent to further revision. However it does

suggest that there will be a significant gap between needs and anticipated resources, of the order of £2.5-3 million annually. Given the severe constraints on local authority funding generally further work is underway to investigate possible ways of bridging this gap.

Consultation

8. In preparing this report the Cabinet Member for Environment & Transport has been consulted and agrees with its contents.
9. A separate communications strategy has also now been prepared for the HAMP. This is a requirement of the DfT incentive funding process. A copy of the strategy is attached as Appendix 4.

Alternative Options

10. Not to update the HAMP would put at risk elements of highway maintenance funding.

Implications of Recommended Option

11. Resources

- a) **Financial Implications** - The Strategic Director Finance & ICT confirms that there are no direct financial implications arising from this report. However the updated information does emphasise the need for a further consideration of how the Council will meet its highway maintenance duties in the longer term in the absence of additional sources of funding.
- b) **Human Resources Implications** - Nil.
- c) **Property Implications** - Nil.
7. **Risk Management Implications** – the revised HAMP will enable better identification of risks related to the highway network.
8. **Equality & Diversity Implications** - Nil.
9. **Crime & Disorder Implications** - Nil.
10. **Health Implications** – a well maintained highway will help support the promotion of active and healthy travel.
11. **Sustainability Implications** - The HAMP will help protect the integrity of Gateshead's highway network.
12. **Human Rights Implications** - Nil.
13. **Area & Ward Implications** – The HAMP relates to all wards.

Background Information

14. The following background information has been used in preparing this report:
 - Gateshead Highways Asset Management Plan (HAMP), June 2014.

Update addendum to Gateshead Highway Asset Management Plan (HAMP)

This document provides an update to the Gateshead Highway Asset Management Plan (HAMP). It summarises progress in taking forward the priority actions for the HAMP, and identifies new issues emerging in the interim. It also provides an initial estimate of longer term highway maintenance funding needs.

Progress on HAMP actions

Progress on the identified priority actions in the approved HAMP is summarised in the attached table. Those actions shown green are effectively complete and can be removed from the action list.

New actions

The following new issues of sufficient importance to warrant inclusion in the HAMP as priority actions have been identified:

Geotechnical assets (embankments)

There have been a number of reported slips and rock-falls from embankments and cuttings within the highway boundary. The frequency of these events may be affected by climate change and recent heavy rain fall. In the future remedial works to the geotechnical assets may require substantial funding.

Problems at the following locations have been identified:

- A184 Consett Route – slippage of embankment has undermined vehicle restraint barriers.
- Victoria Garesfield - reconstruction of embankment associated with the only access into village is required.
- Crawcrook Lane - previous remedial works associated with the cuttings within the highway boundary have failed due to a lack of vehicle clearance. In order to rectify this problem works are required to regrade the cutting.
- A694 Lintzford Road - tension cracks have appeared at the back of the footpath. Preventative measures are required to protect pedestrians.

Work is underway to assess the urgency and extent of works required to resolve the problems.

Vehicle restraint systems (VRS)(crash barriers)

The Felling By-pass has a section of central reserve with pedestrian guardrail running along it. This is not appropriate for this type of road, for which a more robust vehicle crash barrier is required.

A similar problem is also found on Chainbridge Road, Blaydon. In this location the reduction and rationalisation of speed limits in the area may provide a more cost effective option, enabling existing street furniture to be removed, and signage upgraded as opposed to replacement by a full vehicle restraint system.

Unclassified road condition

Monitoring of road condition undertaken annually suggests that, while the overall condition of main roads is good and remains stable, that of unclassified roads is

deteriorating (see below). Although these are the most lightly trafficked roads, they do make up some ¾ of the network.

Gateshead roads where maintenance should be considered (%)

	2011/12	2012/13	2013/14	2014/15	2015/16
Principal roads	4	2	2	2	2
Other classified	8	5	4	4	4
Unclassified roads	7	7	11	14	16

Source: annual road condition surveys

While the current levels of unclassified roads in need of maintenance remain below the national average, the upward trend is a matter of concern. The worsening condition of these roads reflects increasing overall budgetary constraints.

Road signs and lines

The very large number of road signs (about 15,000) and lines (some 700km in length) in Gateshead make regular monitoring of their condition difficult. However anecdotal information suggests the condition of these is deteriorating. Signs and lines can play an important role in providing directions and clarity for road users, contributing to safety, convenience, and supporting effective enforcement of waiting restrictions, speed limits etc. This again reflects wider budgetary constraints.

Repairs backlog

The Council approved a revised policy for highway inspection and repairs in 2015. While this sought to provide some increased flexibility in the timing of reactive repairs to the highway it has not been sufficient to stem an increasing backlog of repairs. While performance in responding to more urgent repairs has largely been sustained, resources have not allowed for the carrying out of non-urgent repairs identified as part of routine highway inspections. The current backlog is estimated to be in excess of 3,000 repairs, with a combined value of some £250,000.

Code of practice for highway management

The national code of practice for highway management provides the basis for the Council’s inspection and repair policies. A revised code is expected to be published this year, introducing major changes to previous approaches. Rather than specific recommendations for repair policy based on the type and function of street, this will be moving towards a more explicitly risk based approach.

Local authorities will have a period of two years the date of publication of the code to review their policies in line with the new requirements.

Funding needs

Funding through the HAMP is needed to cover the following:

- Renewal of assets as they reach the end of their useful life;
- Urgent repairs relating to major immediate needs;
- Reactive maintenance to rectify defects identified from routine and other highway inspections.

The following sections set out initial estimates of the funding required. One of the main future task for the HAMP will to be refine these estimates through improved monitoring and estimation of actual (as opposed to theoretical) deterioration.

Asset renewal

The renewal of all elements of the highway is needed over the long term. For some types of asset life cycle plans are being developed while for others, such as signs or street furniture, replacement will be required.

The Whole of Government Accounts (WGA) exercise provides baseline information from which levels of funding required for asset renewal can be estimated. This would seek to maintain the network at a steady state, without any further improvement or deterioration in condition. Current estimates of funding needed to achieve this are some £6.3 million per annum (excluding structures, footways and lining), as set out in table 1.

Table 1: Annual investment requirement (asset renewal)

Asset item	Investment needed (£000)
Carriageways	3,284*
Footways	Tbc
Structures	Tbc
Street lighting	2,040
Traffic management equipment (traffic signals)	252
Street furniture (including pedestrian guidelines, VRS etc.)	710
Lining	Tbc
Total	6,286

*Includes elements of reactive maintenance funding.

The main sources of capital funding for highway maintenance are the Local Transport Plan (LTP) maintenance funding main line (Council) capital funded through prudential borrowing. Smaller sums are available from the LTP Integrated Transport block and the Government's Pothole Action Fund.

Future LTP maintenance allocations are predicted to be stable to 2020/21, at just under £2.7 million per year, subject to Gateshead attaining 'band 3' status as part of the self-assessment of performance. Should it not be possible to progress beyond the current 'band 2' status then by 2020 the annual allocation could fall by some £300,000. Additional capital funding from the Council's own resources has also been made available (£750,000 in 2016/17).

The figures above suggest an annual shortfall of some £2.5-3 million for highway asset renewal.

Urgent repairs

Surveys of elements of the highway asset have identified a level of disrepair in some areas that are likely to require major intervention in order to restore them to a serviceable state. These are set out in table 2 below and identify a requirement for investment of some £6.1 million

Table 2: Urgent repairs

Asset item	Comment/status	Funding required (£000)
Street lighting	Replacement of all remaining cast iron and concrete columns	4,000
Strategic	Need for strategic upgrading of existing	2,100

Vehicle Restraint Systems (VRS)	provision identified at locations on Felling By-pass and Chainbridge Road	
Traffic signals	Full survey of asset has identified major problems in relation to obsolescence of equipment and condition of poles	Estimates in preparation
Geotechnical assets	Problems identified at two location – further investigation underway	Investigation underway

The Council is making funding available for a major programme of replacement of older street lighting columns. Some funding, together with Local Transport Plan funding, is also being used to carry out work on the other items. However the latter funding is unlikely to be sufficient to meet needs.

Reactive maintenance

Reactive maintenance is a continuing activity dealing with defects identified from routine and ad hoc inspections of the highway. Whatever the underlying condition of the highway asset there will still be a need to respond to problems such as potholes, knock downs etc. The relationship between asset condition and demands on reactive maintenance remain unclear, with the latter being affected by a range of factors. The HAMP will monitor trends in this area with a view to understanding better any relationships which do exist.

Budgets for reactive maintenance have reduced and have fallen by nearly 50% since 2010/11, to some £2.5 million for 2015/16. In the light of this a significant backlog of repairs has built up, suggesting that this reduced level is insufficient to cope with demand. In addition further cost pressures of some £100,000 per year have been identified associated with the need to support additional structural and safety testing of street lighting. It has not been possible as yet to quantify the impact of under-funding in areas such as drainage and routine gully cleaning.

Investment strategies

The above analysis suggests that existing funding sources are inadequate to meet needs in all three areas of:

- Continuing investment and renewal;
- Urgent repairs;
- Reactive maintenance.

This gives rise to a need for additional funding:

- In the short term to deal with urgent and immediate needs;
- As part of a longer term process to ensure the integrity of the highways asset, and meet the Council's statutory duty to maintain the highway.

Scope may exist to meet the first of the above through bids to external bodies (e.g. Local Growth Fund, Highway Maintenance Challenge Fund). Failing this prudential borrowing may be an option to bring failing assets up to an acceptable standard, and avoid much higher longer term liabilities.

For the second area bidding or borrowing will not be a long term option given the unpredictability of the former and inherent unsustainability of the latter. This means that

alternative sources of additional funding need to be identified if the risk of serious deterioration of the network is to be avoided.

Actions arising from the above are:

- Develop business cases for funding short term urgent repair needs. This will help maximise the ability to take advantage of possible external funding or, in their absence, justifying prudential borrowing;
- Investigating possible sources of funding to meet longer term needs.

Approved HAMP actions - update

	Action	Update	Priority/ status
	<i>Strategic/general</i>		
1	The development of life cycle plans for different asset types within Gateshead	Initial work has been undertaken on life cycle planning for carriageways. Further work is required to revise this, and extend it to other highway assets.	High
2	Assessment of the impacts of climate change for future maintenance regimes	Little progress - some preliminary work is underway in relation to improving the resilience of the road network, including climate related events such as flooding.	Medium
3	Develop approach to communications/consultation	Strategy completed (attached as Appendix).	Medium
4	Ensure input into planning guidance regarding use of highway materials to embody HAMP principles	Technical guidance on highway materials for use in planning applications now available.	Medium
	<i>Maintenance programmes</i>		
5	Address the increasing incidence of potholes in carriageways	<p>Funding secured from Government's Pothole Action Fund (£340,000 in 2014) and Pothole Fund (£143,000 in 2016). Additional Council resources of £100,000 also secured in both 2015/16 and 2016/17.</p> <p>The number of potholes recorded has fallen significantly from a peak of 3380 in 2013 to 2374 in 2015. However caution is needed in interpreting such figures as short term fluctuations, for example as a result of severe weather, can be significant.</p>	High
6	Replace obsolete traffic signals equipment	A full survey of traffic signals equipment in Gateshead has been undertaken. This shown a significant level of obsolescence and disrepair. In	High

		the interim additional funding from Local Transport Plan and Council resources has been allocated to enable immediate repairs.	
7	Develop programme for improving footway condition	An additional £100,000 from Council resources has been secured in both 2015/16 and 2016/17 for footway improvement schemes.	Medium
8	Develop programme for replacement of older lighting columns	Major investment secured from Council resources for a programme of replacement of older street lighting columns.	High
9	Review regime for structural testing of smaller lighting columns	Review of regime yet to commence.	High
	<i>Information/analysis</i>		
10	Improve links to actual cost information for schemes	Progress delayed by transfer of asset management IT systems.	High
11	Link footway inventory data to asset database	Will take place as part of new IT system	Medium
12	Identify future approach towards updating inventory information	Under discussion as part of Whole of Government Accounts process. New inventory survey of classified network commissioned.	Medium
13	Assess scope for switching off street lights	Street lights on a number of main routes are now switched off between midnight and 5.30am. Further power savings are achieved by dimming of lights in residential areas.	High
	<i>Funding</i>		
14	Review capital and revenue allocations in face of changing budget pressures and emerging priorities	Initial estimates of future funding needs made. Further refinement of estimates required.	High
15	Assess options for meeting funding shortfalls	Initial work underway on options	Medium
16	Improve benchmarking of costs for maintenance and improvement works	National 'CQC' benchmarking initiative joined in 2016.	Medium

Gateshead Highway Asset Management Plan (HAMP) Summary of approved (2014) HAMP

The existing approved HAMP considers various matters affecting maintenance of the highway network. These range from major background issues such as climate change through to a more detailed appraisal of the current position on different asset types.

In order to focus resources the HAMP concentrates on the main elements of the highway network, including carriageways, footways, street lighting, traffic signals and bridges/structures. It does not cover traffic signs or green spaces associated with the highway. Nor does it cover elements of the transport network outside the adopted highway (for example Council owned car parks).

The HAMP identifies three general challenges:

- the impacts of climate change on the approach to highway maintenance, and the potential for increased damage in future due to freak weather events;
- the pressures on capital and revenue resources available to support highway maintenance, with particular constraints on revenue maintenance funding in the context of wider Government cuts to spending;
- the need to develop the approach to information collection, updating and analysis.

In respect of specific types of asset a number of matters are identified:

- condition surveys suggest that carriageways are generally in a reasonable condition. However there has been a worrying increase in the numbers of potholes identified in recent years;
- deteriorating footway condition;
- a significant level of obsolescence in existing traffic signal equipment;
- the large number of older street lights whose replacement will be needed.

The HAMP also considers the funding position with regards to highway maintenance, noting in particular the significant reductions for revenue funding for highway maintenance. While capital funding received from the Government has largely been sustained it identifies that this may be insufficient to cover requirements for the widespread renewal needed for some types of asset. This places further emphasis on the need for effective management of available resources and the examination of potential alternative funding.

Performance management (including assessment of consequent risks) also forms an important element of the HAMP. An initial HAMP monitoring report was produced in 2015 and it is intended to produce a further report for 2016.

Gateshead HAMP – communications strategy

Gateshead Highways Asset Management Plan - Communication Strategy

The importance of the highway network means that the interests affected by its management range widely, from government bodies and agencies to local business and individuals (see Appendix). In communicating with these it is important that information is accessible, comprehensible, and provides the appropriate level of detail reflecting the different depth and perspective of the differing bodies and individuals.

The HAMP document itself is likely to be of limited interest, principally being a *tool to assist in improved implementation of highway asset principles within Gateshead Council. It will provide information for members and officers on the resources and practices required to manage highway assets effectively, while also demonstrating the links to the Corporate Aims and Objectives of the Council*

Of more importance to external bodies and the public is how proposed actions will affect users of the network on day to day basis. As such wider communication will be based around targeted information on relevant parts of the HAMP.

It is anticipated that engagement will take place at three levels:

Strategic

- The HAMP and related policy documents will be approved formally by the Council's Cabinet.
- The approved HAMP together with subsequent monitoring reports and complementary documents will be available on the Council website.
- Existing liaison arrangements with interested parties including adjoining local authorities, public transport operators, other public bodies, public utilities etc. will continue.
- In order to understand better the wider demands and satisfaction of highway users of our stakeholders the Council will continue to participate in appropriate consultation and surveys, such as the National Highway and Transport Survey. Relevant outcomes from future Council resident surveys will also continue to be monitored.

Programme

- Ward members will continue to be consulted on the formulation of highway maintenance programmes.
- Maintenance programmes will continue to be approved formally by the Council's Cabinet.

Local

- Residents and business on roads affected by maintenance work will continue to be informed in advance.

- Travellers will continue to be warned of anticipated major disruption through press releases, signs and use of other media. The permanent Variable Message Signs planned for main routes will strengthen further the ability to convey important messages.
- Planned roadworks and other street works will continue to be notified via the Tyne and Wear UTMC system.
- The Council's Customer Services Unit will continue to provide a facility for reporting faults and problems by phone, post, e-mail or through the Council's website.

Appendix: key interests

The main identified interests for the HAMP are:

- Residents and visitors
- Businesses
- Council Members
- Council service areas
- Chambers of Trade
- Neighbouring Councils
- Highways England
- Nexus
- Bus and Taxi Operators
- Emergency Services
- Utility Companies
- Environment Agency
- Local Access Forum
- Network Rail
- Specialist interest groups
 - e.g. cycling groups, Public Right of Way groups
 - Motoring Groups and Associations
 - Community groups
 - Haulage associations
 - Partner contractors
- Developers
- North East Combined Authority
- NELEP

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TITLE OF REPORT: Non-Domestic Rates – Transfer of Uncollectable Amounts

REPORT OF: Darren Collins, Strategic Director, Corporate Resources

Purpose of the Report

1. This report asks Cabinet to approve the transfer of outstanding balances from Non-Domestic Rates (NDR) accounts, where all possible recovery action has been taken and the balances are now considered to be uncollectable.

Background

2. Non-Domestic Rates charges are levied in accordance with statutory legislation. Under the localisation of Business Rates, a proportion of monies collected by the Council are retained locally to form part of the core funding of the Council.
3. Charges which remain unpaid are subject to prompt appropriate recovery action. Despite this action there remain some debts, which are uncollectable.
4. The amounts, which have been identified as uncollectable are summarised at Appendix 1. These balances represent the full amount identified as uncollectable in the first six months of the 2016-17 financial year.

Proposal

5. It is proposed to transfer the balance of 326 accounts to the value of £3,002,743.94 for Non-Domestic Rates.
6. In addition to this, balances of £500.00 or less on 127 accounts totalling £21,827.44 for Non-Domestic Rates have been transferred under delegated powers in accordance with Financial Regulation 8.10.
7. The total proposed transfer is therefore £3,024,571.38 in uncollectable Non-Domestic Rates. Of the proposed transfer, £2,984,223.27 is as a result of insolvency, dissolved companies and bankruptcy.
8. The amount of the proposed transfer represents 3.15% of the Non-Domestic Rates annual collectable debit.

Recommendations

9. It is recommended that Cabinet agrees to the transfer of the balances on 326 uncollectable accounts totalling £3,002,743.94 and also notes the transfer of accounts totalling £21,827.44 under delegated powers.

For the following reason:

- (i) To ensure the effective management of the Council's resources.
- (ii) To ensure that the Council Accounts accurately reflect the correct financial position.

CONTACT: John Jopling extension 3582

APPENDIX 1

Policy Context

1. The proposals in this report are consistent with the Council's vision and medium term objectives as set out in Vision 2030 and the Council Plan and, in particular the key Council priority of ensuring a sustainable Gateshead through ensuring the best use of its resources.

Background

2. The transfer reflects Non-Domestic Rates accounts where the recovery process has been exhausted and it is no longer cost effective to pursue the cases through the court process. This has been independently verified by Internal Audit review.
3. Of the £3,024,781.38 Non-Domestic Rates transfer, £1,457,904.29 is in respect of one company which is now dissolved. Significant recovery action has been undertaken in respect of this debt but this was unsuccessful due to the company possessing no assets.

Details of Debts Included in Transfer

4. The table below give details of the reason for the transfer and the year that the debt was created.

Non-Domestic Rates

Year of Debit	Insolvency	Other	Total
	£'000's	£'000's	£'000's
Prev Years	900	33	933
2012/13	838	11	849
2013/14	437	15	452
2014/15	425	0	425
2015/16	328	12	340
2016/17	24	1	25
Total			3,024

Consultation

5. The Leader of the Council has been consulted on the contents of this report.

Alternative Options

6. No alternative options are proposed. A regular review of debt owed to the Council is an essential part of good recovery and accounting procedures.

Implications of Recommended Option

7. Resources

a) Financial Implications - The Strategic Director, Corporate Resources confirms that the cost of the transfer of £3,024,571.38 can be met from the provision set up in the Collection Fund.

b) Human Resources Implications – Nil

c) Property Implications - Nil

8. Risk Management Implications – The transfers mitigate the risk of entries in the Council's statement of accounts being incorrect.

10. Equality and Diversity Implications – Nil

11. Health Implications - Nil

12. Crime and Disorder Implications - Nil

13. Sustainability Implications - Nil

14. Human Rights Implications – Nil

15. Area and Ward Implications – All Wards

Background Information

16. Nil

TITLE OF REPORT: **Nomination of Local Authority School Governors and Appointment of Academy Governors and PRU Management Members**

REPORT OF: **Sheila Lock**
Interim Strategic Director Care, Wellbeing and Learning

Purpose of the Report

1. Cabinet is asked to nominate Local Authority Governors to schools where vacancies have arisen, in accordance with The School Governance (Constitution) (England) Regulations.

Background

2. Schools - The School Governance (Constitution) (England) Regulations require all governing bodies to adopt a model for their size and membership. The regulations prescribe which categories of governor must be represented and what the level of representation is for each. The Local Authority's nomination is subject to the approval of the governing body. If approved, the nominee is appointed by the governing body.

Proposal

3. It is proposed that Cabinet approves the nominations to schools as shown in Appendix 1.

Recommendations

4. It is recommended that Cabinet:
 - (i) approves the nominations of Local Authority Governors as set out in Appendix 1; and
 - (ii) notes the terms of office, as determined by the Instrument of Government, is for a period of four years.

For the following reason:

To ensure the School Governing Bodies have full membership.

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Policy Context

1. Schools

In accordance with The School Governance (Constitution) (England) Regulations, local authorities can nominate any eligible person as a Local Authority governor. Statutory guidance encourages local authorities to appoint high calibre governors with skills appropriate to the school's governance needs, who will uphold the school's ethos, and to nominate candidates irrespective of political affiliation or preferences. A person is disqualified as a Local Authority governor if they are eligible to be a Staff governor at the same school.

Consultation

2. The Cabinet Members for Children and Young People have been consulted.

Alternative Options

3. The alternative option would be to make no nomination/appointment to the vacancies, leaving governing bodies under strength and less likely to demonstrate the correct configuration.

Implications of Recommended Option

4. Resources:

a) **Financial Implications** - The Strategic Director Corporate Resources confirms there are no financial implications arising from this report.

b) **Human Resources Implications** - None

c) **Property Implications** - None

5. **Risk Management Implication** - None

6. **Equality and Diversity Implications** - None

7. **Crime and Disorder Implications** - None

8. **Health Implications** - None

9. **Sustainability Implications** - None

10. **Human Rights Implications** - None

11. **Area and Ward Implications** - None

12. Background Information

The School Governance (Constitution) (England) Regulations.

13. Local Authority Governor Nominations/Academy and PRU Member Appointments/Reappointments

Schools

In accordance with the School Governance (Constitution) (England) Regulations 2012, the following Local Authority governors are nominated for a period of four years (as stipulated in the individual Instrument of Government) with effect from the date stated below:

School	Nomination	Date from
Dunston Hill Primary	Mr D Bunce	19 October 2016
Highfield Primary	Cllr D Bradford	29 November 2016
Rowlands Gill Primary	Cllr L Caffrey	29 October 2016

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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