



WARDS AFFECTED:

Beaumont Leys, Belgrave, Charnwood, Latimer, Mowmacre, New Parks, North Braunstone, Spinney Hill, West Humberstone and Wycliffe

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

CABINET

5TH NOVEMBER 2001

OBJECTIVE 2 ACTION PLAN PROPOSALS

Report of the Director of Environment, Development and Commercial Services

1. Purpose of Report

This paper reports on progress towards developing an Objective 2 Programme in Leicester. It sets out proposals for four Action Plans and seeks delegated authority to submit fully worked up proposals to the Government Office for the East Midlands (GOEM). An indication of the measures that will be delivered by each Action Plan is appended to this report (appendix 1).

2. Summary

GOEM asked partnerships to submit Expressions of Interest for Action Plans to them by 31st August. Subject to Members' approval of the four outline proposals set out in this report, GOEM intend to invite partners to submit full Action Plan proposals to them by Early-November. However, as the timing of GOEM's call for proposals is uncertain, it is likely that there will be insufficient time to present fully worked up proposals to Cabinet for Member's approval. As a consequence, this paper seeks delegated authority for the Director of Environment, Development & Commercial Services, in consultation with the Cabinet Lead on Regeneration, to submit fully worked up Action Plan proposals to GOEM. The Leicester Regeneration Agency have endorsed four draft Expressions of Interest for Action Plans. Members' approval is sought for the following Action Plan proposals:

- **St George's Regeneration Strategy: Rebuilding Inner City Leicester** – This proposal seeks £11.79 million under Priorities 1 & 2 of the programme to develop a Cultural Quarter in the St George's area of Leicester.
- **Leicester Economic InfraStructure Action Plan (Measure 2.2)** – This proposal seeks £3.6 million of ERDF grant funding primarily to compliment work carried out under the SRB 5 & 6 Programmes.
- **Leicester Community Capacity Building Action Plan (Measure 3a1)** - This proposal seeks £3.6 million of ERDF grant funding to support a programme of community capacity building measures.

- **Leicester Sustainable Communities Action Plan (Measure 3a2)** - This proposal seeks £3.75 million of ERDF grant funding to support an integrated programme of sustainable development measures.

3. Recommendations

- I. Members are asked to note the role of the LRA in developing an Objective 2 Programme in Leicester.
- II. Members are asked to endorse the Outline Action Plans set out in this report.
- III. Delegated authority is sought for the Director of Environment, Development & Commercial Services, in consultation with the Cabinet Lead on Regeneration, to submit fully worked up Action Plans to GOEM.

4. Financial and legal Implications

The Action Plan proposals set out in this report seek European Regional Development Fund (ERDF) grant funding of £22.69 million. As projects can only bid for up to 50% of total project costs, proposals must be match funded. Sources of match funding are set in Appendix 1 of this report.

As previously reported to members, the Accountable Body will be responsible for the effective administration and implementation of Objective 2 funded projects. EU grant funding can be clawed back from ineligible projects by Government Office. As the Accountable Body, the Council will be liable to pay back any grants received for “ineligible activities” upon request from GOEM.

Payment to the Accountable Body will be made in arrears. GOEM anticipate an eight-week turn around time for claims.

The Accountable Body will be subject to the same conditions as with other Government programmes such as the Single Regeneration Budget and the New deal for Communities. All sub contractors will have claw back provisions written into their contracts to minimise financial risk to the City Council.

3% of the Objective 2 Operational programme will be set aside for Technical Assistance. This will be available for 50% of the administrative costs of managing Action Plans. The amount is lower than the 5% set aside for Technical Assistance under the Single Regeneration Budget. As a consequence, administrative staff and overhead costs have been written into bids for Objective 2 grant funding.

Report Author/Officer to contact:
Kishor Tailor/Jeff Miller Ext: 6380



WARDS AFFECTED:

Beaumont Leys, Belgrave, Charnwood, Latimer, Mowmacre, New Parks, North Braunstone, Spinney Hill, West Humberstone and Wycliffe

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

CABINET

5TH NOVEMBER 2001

1.1

1.2 OBJECTIVE 2 ACTION PLAN PROPOSALS

Report of the Director of Environment, Development and Commercial Services

SUPPORTING INFORMATION

1. Background

1.1 The regional Objective 2 Strategy or Single programming Document (SPD) was approved on 26th January 2001. The SPD sets out the type of activities that could be funded under the East Midlands Objective 2 programme. Prospective applicants were invited by the Leicester Regeneration Agency partnership to bid under the following measures:

2 1.2 Priority 1 (Enterprise and Innovation) - This Priority aims to support competitiveness and business development and has five Measures:

- **Measure 1.1** – Supporting the ICT Revolution, Technology Development and Business Innovation
- **Measure 1.2** – Financial Support for SMEs and the Social Economy
- **Measure 1.3** – Business Development for SMEs and Community Enterprises
- **Measure 1.4** – Business Infrastructure for SMEs and Community Enterprises
- **Measure 1.5** – Learning and Skills for a Competitive Economy

3

1.3 Priority 2 (Strategic Development Opportunities) - This Priority aims to support investment in infrastructure and strategic development and has three Measures:

- **Measure 2.1** - Strategic Development Opportunities
- **Measure 2.2** – Economic Infrastructure
- **Measure 2.3** – Investing in Sustainable Tourism and the Cultural Industries

3.1.1 1.4 Priority 3 (Sustainable Communities) - This Priority will support community economic development and community capacity building. Priority 3 has three Measures:

- **Measure 3a1** – Community Capacity Building
- **Measure 3a2** – Creating Sustainable Communities
- **Measure 3a3** - Employment Pathways and developing skills to regenerate local communities

2. Objective 2 First Bidding Round – Retrospective & Urgent bids.

2.1 **Retrospective Bids** - Due to the delay in the approval of the SPD, there was an opportunity to bid for resources under a category of "retrospective bids". The purpose of this was to ensure that no funds were lost to the programme, but allowed for expenditure incurred in the calendar year 2000 to be used as matched funding to draw down Objective 2 grant funding. The Government Office for the East Midlands has released provisional scores for the first bidding round. Although the scores will be subject to further scrutiny, the likely outcome of the first bidding round is as follows:

- **Priority 1 Bids (Enterprise & Innovation)** – three LRA endorsed bids (which sought £1.1 million of ERDF grant funding) have scored above the GOEM Quality threshold. The City Council has not been asked to act as the Accountable Body for any of these proposals.
- **Priority 2 Bids (Strategic Development Opportunities)** - two LRA endorsed bids (which sought £1.3 million of ERDF grant funding) have scored above the GOEM Quality threshold. The City Council has not been asked to act as the Accountable Body for either of these proposals.
- **Priority 3 Bids (Sustainable Communities)** –three LRA endorsed bids (which sought £320,000 of ERDF grant funding) have scored above the GOEM Quality threshold. Two proposals from the SRB5 partnership require the City Council to take on the Accountable Body role.

2.2 The outcome of the first bidding round, suggests that Leicester based organisations have secured £2.72 million of ERDF grant funding for individual projects based in Leicester's Objective 2 area.

3. Leicester's Case for Strategic Development Opportunity funding under Measure 2.1

3.1 Strategic Sites Proposal - There was a call for partnerships to submit a proposal to be included in the "Strategic Development Opportunities" (SDO) element of the programme. The St. George's Investment Area was submitted within this category. Twenty SDO proposals were assessed by regional partners. Leicester's case was one of three proposals to receive approval from the East Midlands Objective 2 Programme Monitoring Committee. Subject to the submission of a successful European Regional Development Fund bid, Leicester's successful case will secure £5 million to support the development of the city's Cultural Quarter.

4. Action Plans, Individual Bids & Indicative Financial Envelopes

4.1 The LRA and Cabinet have agreed to take an Action Planning approach to Priorities 2 & 3 of the Programme. Essentially this will ensure that individual measures are delivered as part of an integrated programme. This will enable local partners to shape the strategic direction of the Objective 2 programme in Leicester. A number of individual bids will be submitted by partners to compliment the Action Planning approach.

- 4.2 The LRA Europe Sub Group has carried out first stage basic eligibility checks of all proposals received. These basic checks considered issues around match funding, community consultation, sustainability and equal opportunities. Applicants failing to address these basic eligibility checks would not qualify for European funding and were not endorsed by the Sub Group.
- 4.3 Leicester's Objective 2 programme will build upon work delivered under the city's innovative Urban Pilot Project ("Blueprint for Sustainable Development"). This £1.6 million project was one of only two EU Urban Pilot Projects to receive grant funding in the UK and contributed to Leicester's successful case for Objective 2 status.
- 4.4 The Urban Pilot Project delivered an integrated programme of environmental Improvements, community economic development projects and measures to support social inclusion and is seen as a "flag-ship" programme in Brussels.
- 4.5 To date, the LRA Europe Sub Group has received 150 proposals seeking £61 million of grant funding. Of the 150 proposals submitted, the LRA have recommended that 72 bids with a total grant funding value of £30.1million should be included in Action Plans or be submitted as individual bids.
- 4.6 Consequently, in terms of the whole Objective 2 programme in Leicester, the LRA have developed a £30.1 million programme of integrated sustainable development measures.
- 4.7 Members considered and endorsed an £11.9 million package of City Council proposals on 30th April. This paper sets out all of the partnership bids that have been endorsed by the LRA for inclusion in four Action Plans.
- 4.8 GOEM asked partnerships to submit Expressions of Interest for Action Plans to them by 31st August. Subject to Members' approval, GOEM will invite partners to submit full Action Plan proposals to them by Early-November. The LRA have endorsed four draft Expressions of Interest for Action Plans (financial details are appended to this report). Members' approval is sought for the following Action Plan proposals:
- **St George's Regeneration Strategy: Rebuilding Inner City Leicester** –This proposal seeks £11.79 million under Priorities 1 & 2 of the programme to develop a Cultural Quarter in the St George's area of Leicester. Match funding will be provided by EMDA, the Arts Council of England, the Regional Arts Lottery Programme, SRB2 and the City Council.
 - **Leicester Economic InfraStructure Action Plan (Measure 2.2)** – This proposal seeks £3.6 million of ERDF grant funding primarily to compliment work carried out under the SRB 5 & 6 Programmes. Sources of match funding are set out under Appendix 1 of this report, but will mainly be provided through the SRB 5 & 6 Programmes.
 - **Leicester Community Capacity Building Action Plan (Measure 3a1)** - This proposal seeks £3.6 million of ERDF grant funding to support a programme of community capacity building measures. Match funding will be provided by the SRB 2, 5 & 6 Programmes and partner organisations.
 - **Leicester Sustainable Communities Action Plan (Measure 3a2)** - This proposal seeks £3.7 million of ERDF grant funding to support an integrated programme of sustainable development measures. Match funding will be provided by the SRB 2, 5 & 6 Programmes and partner organisations.

5. Equal Opportunities Implications

5.1 There are no direct equal opportunities implications as a result of this report. However, Objective 2 grant aid could support measures to combat racism and xenophobia. Equal Opportunities have been included in the SPD as a cross-cutting theme. As a consequence, all bids will be assessed against equalities criteria.

6. Crime and Disorder Implications

6.1 There are no direct crime and disorder implications as a consequence of this report. However, Objective 2 grant aid could support crime prevention measures as set out in the City Council's Crime & Disorder Strategy.

7. Environmental & Sustainability Implications

7.1 There are no direct environmental and sustainability implications as a consequence of this report. However, ERDF grant funding will be used to support environmental improvements and sustainable development in Leicester's Objective 2 area. Sustainability has been included in the SPD as a cross-cutting theme. As a consequence, all bids will be assessed against sustainability criteria.

8. Background Papers

"East Midlands Objective 2 Single Programming Document": GOEM/EMDA

"Regional Integrated Strategy": Regional Assembly

"Objective 2 Programme Management Options": Director's Board 05/09/00

"Objective 2 Programme Management Options": Strategic Planning & Regeneration Scrutiny Committee 11/10/00

"Objective 2 Programme Management Options": Leader's Briefing 23/10/01

"Objective 2 Management Options": 6th November Leicester Regeneration Agency

"Notes of Leicester Regeneration Agency Europe Sub Group": 13th November 2000

"Leicester Regeneration Agency Europe Sub Group Terms of Reference": 13th November 2000

"Notes of Leicester Regeneration Agency Europe Sub Group": 12th December 2000

"Objective 2 Programme management": 18th December Leicester Regeneration Agency

"Notes of Leicester Regeneration Agency Europe Sub Group": 8th January 2001, 12th February 2001, 12th March 2001, 9th April 2001, 15th May 2001, 13th June 2001, 19th July 2001 & 30th August 2001.

"Objective 2 Programme Management": Cabinet 5th March 2001

Objective 2 Programme Management": Planning & Regeneration Scrutiny Committee 8th March 2001

"City Council Objective 2 Proposals": Directors' Board 24th April 2001 & Leaders' Briefing 30th April 2001

"Leicester's Objective 2 Programme – First Bidding Round & Programme Update": Cabinet Regeneration Lead Member Briefing 22nd June 2001

9. Report Author/Officer to contact:

Kishor Tailor/Jeff Miller Ext 6312