



WARDS AFFECTED:

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

**FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
STRATEGIC PLANNING & REGENERATION SCRUTINY COMMITTEE
CABINET**

**8TH MARCH 2001
5TH MARCH 2001**

OBJECTIVE 2 ACTION PLANS

Report of the Director of Environment & Development

1. Purpose of the Report

- 1.1 This paper seeks Member approval to enable the City Council to act as the Accountable Body for Action Plans under Priorities 2 & 3 of the Objective 2 programme.

2. Summary

- 2.1 Leicester won Objective 2 status on 23rd December 1999. Ten city wards will receive grant funding under the Urban Strand of the Objective 2 programme (set out in the ward list in the body of the report). Objective 2 status could provide up to £21 million of European grant funding over the lifetime of the programme (2000 – 2006). This indicative allocation is based on Leicester's per capita share of the region's Objective 2 budget. Grant funding, however, is subject to open competition.
- 2.2 Regional partners have worked with the Government Office for the East Midlands (GOEM) to develop a regional strategy for the Objective 2 programme (referred to as the Single Programming Document or SPD). The SPD was approved by the European Commission on 26th January 2001. Due to the lengthy negotiations between the region and the European Commission, the initial November 2000 deadline for bids has slipped significantly. GOEM now intend to invite bids for the programme by April 2001.
- 2.3 To bid for support, local partners must agree how Objective 2 will be managed at a local level. Two management options for the programme were put to the 11th October Strategic Planning & Regeneration Scrutiny Committee. Members supported recommendations to take an Action Planning approach to Objective 2 and for the City Council to act as the Accountable Body for Priorities 2 & 3.
- 2.4 Work on developing the Action Plans could not progress until the European Commission approved the SPD. Now that the strategy has been agreed, member approval is sought for the recommendations set out in this report.

3. Recommendations

This paper recommends that:

- 3.1 The City Council and its partners should develop Action Plans for Priorities 2 & 3 of the Objective 2 programme (“Strategic Development Opportunities” and “Sustainable Communities”).
- 3.2 The City Council acts as the Accountable Body for Priorities 2 & 3.
- 3.3 That the Leicester Regeneration Agency in consultation with the City Council determines which projects should be incorporated into the Action Plans.

4. Financial & Legal Implications

- 4.1 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.
- 4.2 Payment to the Accountable Body will be made in arrears. GOEM anticipate an eight-week turn around time for claims.
- 4.3 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. Should members support the recommendations set out in this report, it is anticipated that all sub contractors will have claw back provisions written into their contracts to minimise financial risk to the City Council.
- 4.4 1% 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 significantly lower than the 5% set aside for Technical Assistance under the Single Regeneration Budget. As a consequence, administrative staff and overhead costs will have to be written in to bids for Objective 2 grant funding.

5. Report Author/Officer to Contact:

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