



**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**

**8<sup>TH</sup> MARCH 2001  
5<sup>TH</sup> MARCH 2001**

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**OBJECTIVE 2 ACTION PLANS**

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**Report of the Director of Environment & Development**

**SUPPORTING INFORMATION**

**1. Report**

**Background**

On 23<sup>rd</sup> December 1999, the European Commission formally announced that Leicester's case for Objective 2 status had been successful. Since then, regional partners have worked with the East Midlands Development Agency (EMDA) and the Government Office for the East Midlands (GOEM) to develop a regional strategy or Single Programming Document (SPD) for the new Objective 2 programme.

Leicester's case for Objective 2 status identified a target area of 100,000 people. It included ten city wards with high levels of unemployment and high Index of Local Deprivation indicators. Leicester won Objective 2 status despite fierce national and regional competition. The city secured its designation under the Urban Strand of Objective 2. Under this strand, ten city wards stand to benefit. These are:

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

GOEM have given Leicester's Objective 2 area an indicative allocation of c.£21 million over a seven-year period. However, it is possible that Leicester could receive more or less than its indicative allocation. Bids will be subject to a competitive process that will enable any legally constituted organisation to bid for support. This could be through an open competitive bidding process or an Action Plan.

Objective 2-grant aid will be delivered through the European Regional Development Fund and the European Social Fund. Capital and revenue grants will be available to support regeneration and sustainable development within the ten wards. Applicants may bid for up to 50% grant funding if they can demonstrate that public and private match funding has been secured.

The East Midlands SPD was formally launched by GOEM in Leicester on 31<sup>st</sup> March. It has been approved by the DETR and was formally endorsed by the European Commission on 26<sup>th</sup> January 2001.

Due to the lengthy negotiations between the Commission and the region, the initial November 2000 deadline for bids has slipped significantly. GOEM now intend to invite bids by April 2001. GOEM will also develop regional scoring criteria and scoring mechanisms. These will be developed jointly with representatives from the seven East Midlands Objective 2 areas. At present, Leicester is represented by the City Council's European & Regional Office.

The latest version of the Single Programming Document sets out three priorities for support and can be down-loaded from the East Midlands Development Agency web site on [www.emda.org.uk](http://www.emda.org.uk) The three Priorities currently set out in the SPD are:

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 (ERDF)
- **Measure 1.2** – Financial Support for SMEs and the Social Economy (ERDF)
- **Measure 1.3** – Business Development for SMEs and Community Enterprises (ERDF)
- **Measure 1.4** – Business Infrastructure for SMEs and Community Enterprises (ERDF)
- **Measure 1.5** – Learning and Skills for a Competitive Economy (ESF)

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 (ERDF)
- **Measure 2.2** – Economic Infrastructure (ERDF)
- **Measure 2.3** – Investing in Sustainable Tourism and the Cultural Industries as drivers for economic development (ERDF)

Priority 3 (Sustainable Communities) - This Priority will support community economic development and community capacity building. Support will be available for urban (under Priority 3a) and rural (under Priority 3b) areas. In urban areas, support for community economic development will be concentrated on 30% – 35% of the region's most deprived wards. It is anticipated that 70% of the CED Measure will be targeted on these wards. The Urban element of Priority 3a has three Measures:

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

## **Objective 2 Programme Management Options**

There are two possible management options to draw down funding under the Objective 2 programme. These are Action Plans and open competitive bidding.

1. Action Planning will require partners to identify an Accountable Body. Action Plans will enable local partnerships to ring fence grant funding for specific measures. A system of competitive bidding will take place “within the Action Plan” but will not be subject to regional competition. This system will enable partners to plan over the medium to long term and will, subject to regional agreement, ring fence a specific amount of money for Leicester's Objective 2 area.

The European Commission has advised Government Office that Accountable Bodies can bid into their own Action Plans. Partners could set up a range of Action Plans to cover either geographic (i.e. wards, groups of wards or the three cities) and/or thematic (i.e. equalities, cultural or industrial) issues.

Members need to consider the limited technical assistance budget available for Action Planning when considering which management arrangements to opt for. However, Action Plans will enable partners to plan activities on a longer-term basis than an annual competitive bidding round. Action Plans will ensure that partners take a co-ordinated strategic approach rather than submitting opportunistic bids under an open process.

Two management options for the programme were put to the 23rd October Leader's Briefing and the 11<sup>th</sup> 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. As a consequence, this paper recommends that the City Council should take on the Accountable Body role for Priorities 2 & 3.

2. Open, competitive bidding will minimise risk to the City Council, as it does not require an Accountable Body, but will make medium to long term planning difficult at a local level. Leicester could receive more than its "per capita share" under this system, but could also receive less if bids compare unfavourably against regional competitors.

Action Plans must represent a broad-based partnership, but must ultimately choose a lead partner to become the Accountable Body. In terms of Priorities 2 & 3 (Strategic Development Opportunities and Sustainable Communities). It is clear that the City Council takes a leading role in these work areas and could take on the Accountable Body role. In terms of Priority 1 (Enterprise and Innovation), Members agreed that it is less clear who should take on an Accountable Body role, if one is required and sought the views of the Leicester Regeneration Agency. Further to consulting Leader's Briefing, the 6<sup>th</sup> November LRA agreed that bids for Priority 1 grant funding should be submitted under an open competitive process.

Work on developing the Action Plans could not progress until the SPD was approved by the European Commission. Now that the strategy has been agreed, member approval is sought for the recommendations set out in this report.

## **Technical Assistance**

1% of the Objective 2 Operational programme will be set aside for Technical Assistance. This will be available for up to 50% of the administrative and/or technical costs of managing Action Plans. The amount is significantly lower than the 5% set aside for Technical Assistance under SRB. It is not clear whether Technical Assistance would be available for a competitive bidding process, but it appears to be unlikely.

## **Bidding Process**

As GOEM would prefer bids to reflect partners' strategic priorities, the LRA has established a **Europe Sub Group** to co-ordinate the bidding process in Leicester. Partners have agreed that this group will prioritise bids which both score highly against GOEM's Scoring Criteria (when it becomes available) and reflect the strategic priorities of the wider partnership.

To meet the revised timetable it will be necessary to seek a decision of Cabinet on the bid proposals by April/May. It is proposed that in order to achieve this, the proposals need to be considered as follows:

<b>Date</b>	<b>Meeting</b>	<b>Issues</b>
5 <sup>th</sup> March 2001	Cabinet	Bidding process & programme management
8 <sup>th</sup> March 2001	Planning & Regeneration Scrutiny Committee	Bidding process & programme management
13 <sup>th</sup> March 2001	Directors Board	Action Plan Proposals & content
26 <sup>th</sup> March 2001	Leader's Briefing	Action Plan Proposals & content
9 <sup>th</sup> April 2001	Cabinet	Action Plan Proposals & content

## **2. Equal Opportunities Implications**

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.

## **3. Crime and Disorder Implications**

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.

## **4. Environmental & Sustainability Implications**

There are no direct environmental and sustainability implications as a consequence of this report. However, Objective 2 grant aid could support environmental improvements and sustainable development. Sustainability has been included in the SPD as a cross-cutting theme. As a consequence, all bids will be assessed against sustainability criteria.

## **5. Consultations**

Europe Officers Working Group Service Department representatives (all Service Departments)  
Government Office for the East Midlands  
Assistant Director (Regeneration & Development): E&DD  
Assistant Chief Executive (Corporate Management): CEXO  
Chief Financial Officer (Financial Services Division): TC&CR  
Directors' Board 5<sup>th</sup> September 2000  
Leicester Regeneration Agency 15<sup>th</sup> May 2000  
Leicester Regeneration Agency 25<sup>th</sup> September 2000  
Leicester Regeneration Agency 6<sup>th</sup> November 2000  
Leicester Regeneration Agency 18<sup>th</sup> December 2000

## **6. Background Papers**

"East Midlands Objective 2 Single Programming Document": GOEM/EMDA  
"Regional Integrated Strategy": Regional Assembly  
"Objective 2 Update": 1/11/99 Chairs & Directors  
"Priorities for Support under Objective 2" 23/11/99 Directors Board  
"Objective 2 Single programming Document" 15/5/00 Leicester Regeneration Agency  
"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”: 6<sup>th</sup> November Leicester Regeneration Agency

“Notes of Leicester Regeneration Agency Europe Sub Group”: 13<sup>th</sup> November 2000

“Leicester Regeneration Agency Europe Sub Group Terms of Reference”: 13<sup>th</sup> November 2000

“Notes of Leicester Regeneration Agency Europe Sub Group”: 12<sup>th</sup> December 2000

“Objective 2 Programme management”: 18<sup>th</sup> December Leicester Regeneration Agency

“Notes of Leicester Regeneration Agency Europe Sub Group”: 8<sup>th</sup> January 2001

**7. Report Author/Officer to contact:**

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