

ANNUAL MONITORING REPORT 2004

NORTH WEST ENGLAND

OBJECTIVE 2 PROGRAMME 2000/2006

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INTRODUCTION

The Single Programming Document (SPD) requires an Annual Monitoring Business Plan to be prepared to enable the Programme Monitoring /Regional Committee (PM/RC) to satisfy itself that projects are coming forward as quickly as anticipated and achieving projected outputs. It also provides a framework to ensure that lessons are being learned and Programme impact is being maximised in accordance with Article 37 of Regulation 1260/1999.

De-commitment presented a significant challenge in 2003 and the Partnership took numerous management actions to respond to this, which resulted in the target being significantly exceeded. The Partnership also revised the Governance Structure to better respond to current business needs.

A new feature of the 2000-2006 round of Structural Fund Programmes was the introduction of a Performance Reserve designed to 'reward' those Programmes demonstrating efficiency and effectiveness. As a result of achieving the N+2 targets and meeting key performance targets, the Programme received an additional €33.106m (£23.293m) in Performance Reserve funds.

This document focuses on the lessons learned in the first half of the Programme and sets out how these have influenced the delivery plans for 2004 and beyond. The Mid Term Evaluation (MTE) completed in 2003, provided a wealth of up to date information to drive the development strategy and the future direction of the Programme. The Financial Plan at Annex 1b contains an analysis of the distribution of the new resources from the reserve.

BACKGROUND

AND OVERVIEW

The strategy contained in the North West Objective 2 SPD aims to develop a competitive and sustainable economy which offers employment and income opportunities for people of all ages and abilities. The SPD will be revised in 2004 to broaden the focus beyond gender equality, combating discrimination against all disadvantaged groups.

The strategic aim reflects the need to boost the competitiveness of the Objective 2 area in order to narrow the prosperity gap with the UK as a whole, whilst recognising the need to reduce inequalities within the region and secure sustainable economic growth.

The original 2000-2006 SPD, approved by the Commission in March 2001, was constructed on the basis of extensive consultation with a very wide and diverse Partnership. The new SPD was revised in December 2003 following an extensive MTE, a strategic development workshop, a Cross Cutting Themes (CCT) specific workshop and related discussion and debate within the Programme's Governance Structure.

Agreement was reached at the outset of the Programme that the Objective 2 and 3 Programmes should be closely integrated' to ensure Objective 3 met the human resource demands of Objective 2. Consequently, a combined PM/RC was formed to improve the strategic cohesion of both Programmes. The structure was reviewed and refined in 2004 to improve the Governance of both Programmes and their inter-relationship.

Initial funding available to the 2000-2006 Programme was €808.330m made up of €646.930m for the Fully Eligible Programme Area and €161.400m for the Transitional Area as follows:

Exchange rate movements have resulted in further funds becoming available to allocate to support Programme objectives. Furthermore, the successful fulfilment of the Performance Reserve

criteria has resulted in the receipt of additional funds for allocation. The Performance Reserve resources have been made available in line with respective 'Berlin Profiles' as follows:

SUMMARY FINANCIAL TABLE (MEURO)						
TABLE 1	ERDF	ESF	Total EU	National Public	National Private	Total Cost
Eligible Areas						
P1 Business and Ideas	232.183		232.183	232.183	54.098	518.464
P2 People and Communities	158.998		158.996	158.998		317.996
P3 Strategic Regional Investment	244.882		244.882	325.693	100.401	670.976
Technical Assistance	10.867		10.867	10.867		21.734
Total	646.930		646.930	727.741	154.499	1529.170
Transitional Areas						
P1 Business and Ideas	111.077		111.077	111.077	32.212	254.366
P2 People and Communities	15.869		15.869	15.869		31.738
P3 Strategic Regional Investment	31.738		31.738	42.147	13.013	86.898
Technical Assistance	2.717		2.717	2.717		5.434
Total	161.401		161.401	171.810	45.225	378.436

PERFORMANCE RESERVE SUMMARY FINANCIAL TABLE (MEURO)						
TABLE 2	ERDF	ESF	Total EU	National Public	National Private	Total Cost
Eligible Areas						
P1 Business and Ideas	6.699		6.699	0	0	6.699
P2 People and Communities	0		0	0	0	0
P3 Strategic Regional Investment	20.098		20.098	0	0	20.098
Technical Assistance	0		0	0	0	0
Total	26.797		26.797	0	0	26.797
Transitional Areas						
P1 Business and Ideas	0		0	0	0	0
P2 People and Communities	0		0	0	0	0
P3 Strategic Regional Investment	6.309		6.309	0	0	6.309
Technical Assistance	0		0	0	0	0
Total	6.309		6.309	0	0	6.309

The revised financial tables are provided at Annex 1a and the detail of the Performance Reserve component is given at Annex 1b.

PROGRAMME

PERFORMANCE

By December 2002 it had become clear that the 56 Action Plan Partnerships were not delivering in line with contractual requirements. The level of expenditure was significantly less than expected and there was a serious risk of de-commitment of significant European funds.

Following a meeting with the wider Partnership, a more proactive and direct management approach was implemented, which included;

- the engagement of consultants to develop risk management capacity within the Government Office and the delivery Partnership. It had become clear that a number of the partners were having difficulty in providing realistic forecasts, and accurately assessing risks;

- Quarterly high level meetings with Action Plan Partnerships, to analyse the quality of data being presented, explain the seriousness of under performance and secure quarterly performance data against which the plan performance would be rigorously managed to bring planned performance back to contracted levels;

- Recovering funds from those Action plans, which were clearly not performing to contract;

- Providing additional funding to those projects which were performing broadly to profile, with a detailed delivery plan and related risk analysis in place.

In addition further efforts have been made to improve data management and collection by developing the Interactive Claim Facility (ICF) which, together with the risk management tool, will improve the quality and accuracy of Programme information. The Government Office has also invested heavily in the second half of 2003 in the development of a suite of Management Information reports that will improve the quality, accuracy, flexibility and presentation of information to the Programme Governance Structure.

To manage performance on behalf of the PM/RC, a Performance Management Group of independent

and impartial representatives was established in 2003. The Group is supported by two experienced practitioners, who act as 'expert advisers', to ensure the deliverability of proposed actions. The Group will monitor performance of the APPs and has delegated authority to remove/reallocate funds from and between Action Plans.

The Programme is now steered by a smaller PM/RC, supported by the Performance Management Group and an Objective 2 Advisory Group and an Objective 3 Advisory Group. Delivery has now taken precedence over mobilization activity and the following chapters explain how this has impacted on the future direction of the Programme.

MID TERM

EVALUATION (MTE)

Chapter 11 of the Annual Implementation Report 2003 outlines the requirement for an evaluation at the mid term of the Programme, together with the processes involved and conclusions reached.

The evaluation was conducted throughout the first half of 2003. The Terms of Reference were developed by ODPM and then extended to include some regionally significant issues. The completed MTE resulted in the production of the following reports:

Review of the Socio-economic Position

Review of the Policy Context

Review of the SWOT Analysis

Implementation of Cross-cutting Themes

Rural Development

Management and Governance Structures

Action Plans

Integration of Objective 2 and Objective 3

Integration with the Community Initiatives

Quantification of the Programme

Validation of Gross Outcomes

Progress Towards the Performance Reserve Targets

Community Added Value

Integration of Objective 1 and Objective 2

DARESBURY SCIENCE PARK

The first phase of a long term ambition, Daresbury Science Park will create a major new business location on land adjacent to The Daresbury Laboratory. The site was acquired from CCLRC by NWDA in March 2001, and will provide accommodation over three floors.

The first phase will be recognised as The Incubator and Building 2. The ground floor to The Incubator will provide a science visitor and resource centre, a campus management centre with meeting rooms, an informal meeting and networking area, with provision for a heavy laboratory and light computer style laboratory will be located on the first floor.

The expected completion date for the first phase is April 2004, with roadworks in place by July 2004.



The evaluation was managed by the Evaluation Steering Group, chaired by the RDA, reporting to the PM/RC. The findings informed Programme delivery arrangements and strategic revisions. The SPD as currently constructed was considered to remain broadly fit for purpose, but presented some opportunities for better alignment with national and regional policy priorities.

A key recommendation, which was taken fully on board, was the redefinition of the Equal Opportunities CCT to embrace a broader definition of equal opportunities. During the first half of the Programme, the equal opportunities focus was solely focussed on gender issues but following the MTE the scope was extended to comply with Article 13 of the Amsterdam Treaty and combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

Regeneris Consulting was invited to explore the MTE findings and consider the implications for strategy, delivery and management so that the Objective 2 Programme reflected the current policy context and changing socio-economic circumstances.

The conclusions of that report was that the revised SPD should be developed to include ERDF support to large companies where this supported supply chain development, development of transport (light rail) infrastructure, Broadband investment in areas of market failure and activities to support the regional tourism strategy.

The eventual financial outcome at the end of 2003 provided some confidence that there was no fundamental problem with Action Plans as an effective delivery mechanism. Nevertheless the need to reinforce the strategic focus was recognised and provision of support to large regionally or sub-regional projects was seen as a mechanism to widen the scope of investment opportunities and complement Action Plan delivery.

The new SPD reflects these recommendations. The broad principles have been accepted by the Commission and the commissioning of appropriate Projects/plans will be explored early in 2004, so that contracts can be delivered in line with Programme financial targets.

MANAGEMENT AND

GOVERNANCE STRUCTURES

The Programme Monitoring/Regional Committee (PM/RC) is the main decision and policy making body for the Objective 2 Programme and performs all tasks and responsibilities laid down in Regulation 1260/1999. To ensure that the Objective 2 Programme is properly supported and complemented by the Objective 3 Programme, the PM/RC is a joint body for the two Programmes.

The PM/RC has overall responsibility for Programme management and monitoring and represents a Partnership of key regional bodies and Government Departments. It has maintained a strong role monitoring the implementation of the Programme, reviewing delivery and spend at every meeting and drilling down to find solutions to problems of underperformance.

The PM/RC was an all-embracing group with a large membership and wide remit and as such was not considered the best mechanism for tackling performance issues arising from possible de-commitment in 2003. A small limited life strategy group was formed as a subset of the PM/RC to address these issues.

The MTE suggested a need for greater integration of the Objective 2 and 3 Programmes and questioned the efficiency of the existing Governance Structure. The review of the structure focused on maximising the Partnerships contribution to driving Programme strategy and operations.

In particular the under performance of the Programme necessitated a tighter and more focused group to consider the issues which were impacting on performance. The Performance Management Group was formed, with independent and impartial representatives of the Partnership, supported by two experienced practitioners from the Partnership and serviced by the Programme Executive.

The evaluation recognised the role of the PAG but questioned the value of the County Working Groups. Following those conclusions a review of the governance and management structure was made resulting in:

- a slimmed down PM/RC which continued to reflect the regional Partnership;
- the retention of the Performance Management Group;
- creation of the Objective 2 and Objective 3 Advisory Groups established at sub-PM/RC level, to support the Committee in its work; and replace the Programme Advisory Group;
- a recognition that the County Working Groups, if required by the sub-regional partners would be serviced and maintained by those partners but would not form part of the serviced governance infrastructure.

Annex 2 presents a graphic illustration of the revised structure and Annex 2a the membership.

The conditions of membership have also been revised:

- Best endeavours are made to ensure that where possible, members only serve on one Group, to increase engagement in, and understanding of the Programmes;
- Members appoint a named deputy to attend meetings should they be unable to attend, but if neither the member or deputy can attend, nobody else will be allowed to substitute;
- A 'three strikes and you are out' attendance policy be introduced, to maximise the consistency of representation;
- 'Observers' will be welcomed, on the understanding that contributions cannot be made unless explicitly invited by the Chair;
- To ensure that the gender balance requirements are fully met, Sectors/Sub-Regions appoint members in accordance with their gender allocation;

- Broader equality of opportunity/diversity issues be considered, to ensure that the Programme's Governance Structure adequately reflects the demography of the North West region.

The new structure was implemented as from 3 November 2003, new member training sessions were held in November 2003 and Feb 2004 and the style of meetings will be altered to provide greater opportunities for joint working on development issues (eg Strategy Workshop), with better use of 'virtual' (written representations-style) meetings for non-contentious procedural issues.

PRIORITY 1

BUSINESS AND IDEAS

Unemployment rates in the North West continue to exceed the UK average but remain below European levels. There are substantial gaps between regions in incomes and competitiveness and overall the levels of unemployment and regional disparities remain at unacceptable levels.

Priority 1 is contributing to the transformation of the North West through the development of new and high growth employment sectors as well as supporting the competitiveness of existing businesses. It is being delivered through a concerted effort to rapidly accelerate the rate of diversification and growth of the regional economy.

SMEs across the Programme area are benefiting from Objective 2 grants helping them develop new markets and adapt to the introduction of new products and processes. They benefit from positive equal opportunities, environmental sustainability practices and exploit e-business opportunities.

Manufacturing remains a key economic driver, employing 430,000 people and accounting for 25% of GDP. The NWDA has developed a strategy to tackle barriers to growth of manufacturing industries. Within the 'Agenda for Change' Programme, the Manufacturing Institute is providing support to SMEs to streamline processes, eliminate waste and develop sharper production skills.

Issues arising from 2003

The emphasis in 2003 was on meeting financial performance targets. Delivery was assisted through the improvements put in place to strengthen the risk assessment and management information processes, so as to better understand physical and financial progress at project and plan levels. This work was enhanced through 3 formal rounds of progress review meetings between EPE and Priority 1 plan partners, in order to gain a realistic impression of current and planned activity, commitment and spend levels up to the year end.



*Part of the range of Plectr'O'
(BITS, Blackburn Innovations and Technology Services)*

A total of £181.68m was allocated to twelve local Action Plans and 2 region-wide Action Plans at the outset of the Programme for commitment by the end of 2003. This represented about 78% of the funds available for Priority 1 activities.

In order to maximise the prospect of achieving spend targets for this year, the funds allocated to fully eligible areas included the SPD allocation to 2003, plus over-Programming of 20% to cover any slippage in project performance (which was broadly equivalent to the funds available under the Berlin profile for 2004.) All of the transitional area funds were allocated upfront, as these need to be committed by end 2004, and spent by the end of 2006.

At the time of the first progress review in spring 2003, most of the Priority 1 Action Plans were classed as 'average' performers against their contracted profile, and still had further funds to

commit. However, two plans were performing very well and put forward proposals to secure further funding and were consequently awarded additional funds. This rewarding of performance was in line with the principles of providing incentives to the Action Plan Partnerships, which were established at the outset of the Programme.

Decisions were taken on the approach to allocating the remaining P1 (FEA) funds – about £50 million at present exchange rates - for the rest of the Programme. The funds were split on a 70:30 ratio, with 30% going to the local Action Plans, and 70% retained for strategic regional and sub-regional activity, and managing exchange rate fluctuations.

The more limited allocation to local Action Plans reflected their moderate performance to date and the desire to achieve greater strategic alignment with the Regional Economic Strategy, and its subsidiary plans and strategies, in the second half of the Programme. A small amount of transitional area funding - £6million, largely due to exchange rate changes plus a little recycling from previous allocations – was also allocated on a similar basis.

As part of the new approach to better strategic alignment, it was also decided that all post-2003 local Action Plan funding would be allocated on the basis of the new sub-regional groupings to form the basis of the joint SBS/LSC pilot managed by the NWDA – the Alliance for Skills and Productivity (ASP). This is intended to provide the framework for planning and improving all publicly funded business support provision relating to SMEs in the North West.

Indicative allocations were therefore made on this basis (using the same methodology in allocating the sum available between Action Plans as applied at the outset of the Programme), with Action Plans to formally bid in early 2004 for these allocations, in light of agreed ASP sub-regional plans.

This new arrangement particularly affected Greater Manchester, where previously 7 Action Plans operated separately and which will now be consolidated into a single Action Plan for Priority 1 funds.

Business Investment Scheme (BIS)

The BIS is a Venture Capital Fund designed to provide equity linked investment for growth and start up SMEs within the Objective 2 Programme area, with a maximum individual ERDF contribution payable of £500,000, as part of an equity package put together by the fund managers. The overall intervention rate is 25%, but individual packages can be supported up to 50%.

The BIS forms part of the NWDA Action Plan, and is the largest single Priority 1 approved project - with an ERDF grant of £19.1M to the NWDA, to be matched with other private investment funds of £57.3M.

The start was delayed due to protracted negotiations involving GO, NWDA, ODPM and the Commission in devising a suitable and acceptable model under which it could operate, as it was not possible to obtain a guarantee of private sector match funding upfront. It finally commenced in April 2003, on the basis of ERDF claims being made as individual projects were approved and thereby provided the necessary match funding.

Further negotiations and revisions eventually resulted in the BIS being accepted as a Venture Capital Fund for ERDF purposes, which enabled the total ERDF grant to be provided to NWDA in a single payment to create the basis of the fund. This upfront payment made a significant contribution to meeting the N+2 target for 2003.

The fund is performing well in the Fully Eligible area with 7 completed investments to SMEs to date and fund managers are finding it a very useful lever in providing the basis for drawing in co-investment from other partners.

However some difficulty is being encountered in the Transitional areas in identifying both the number and suitability of businesses, resulting in just 1 investment so far. The need for more targeted and intensive marketing in the transitional areas (TA) is clear, and several ideas are being implemented, including identification of priorities on the basis of the numbers of SMEs within the specific TA wards, and

the provision of information to the fund manager on those TA areas where business support projects are performing well. This will enable a more focussed approach and hopefully the generation of more specific company enquiries.

A regular detailed quarterly review process has been set up with NWDA and the fund manager to ensure ongoing and regular monitoring of scheme progress. However, due to the late establishment of the scheme, any decision on allocation of additional FEA funds available under Measure 1.3 will need to be deferred until a clearer flow pattern of investments has been established.



Priority 1, Innovative "OSSY" Dynamic Splint - Dynamic Healthcare

Commitment and spend position at outset of 2004

The drive during 2003 to accelerate commitment and spend and improve forecasting reliability met with considerable success. Commitment levels have been good, and at the end of 2003 were at 85% with many plans fully committed.

Spend increased considerably towards the end of 2003. This was due to a greater focus on delivery, as well as the effect of capital schemes finally coming on line with large amounts of spend in a short timescale, and revenue-based business support projects beginning to spend at a steady level as projects recruited all their staff and began delivering to SMEs. In excess of £78m was claimed at the end of 2003.

Outputs and Results achieved on Priority 1

The Programme is now delivering solid progress in rolling out the Action Plans and projects within those plans. Already Measure 1.1 has exceeded the forecast for new products/processes, as has the assistance to SMEs. The delivery of these outputs is consistent with DTI's objective of building an enterprise society in which small firms thrive and achieve their potential. The aim is to increase the number of people considering going into small business; achieving an improvement in the overall productivity of small businesses and providing more enterprise within disadvantaged communities.

Key actions for Priority 1 in 2004

The momentum gained in enhancing the financial management effort for the Priority will continue in 2004, through:

- regular monitoring and proactive contact with Action Plans
- effectively responding to intelligence arising from the risk analysis and interactive claim form frameworks
- fostering a more cooperative and affiliative relationship between EPEX Account Managers and the Plan partners to enhance trust and Partnership working
- focusing on project quality and outputs, especially impact on Gross Value Added (GVA), and strategic alignment, as well as spend

The remaining P1 resources will be allocated to plans during 2004. Applications for the indicative allocation of £15m approved for local Action Plans are expected by mid-February when the Partnerships will explain how the funding will be aligned with their ASP plan, and related operating arrangements.

The further £35m and performance reserve, set aside for more strategic regional or sub-regional activity will be allocated in a two-stage commissioning process. Broadly costed options are being invited from interested partners, including NWDA and NWUA, who

operate regional Action Plans. Another potential project which is being considered is the range of opportunities related to the location of the Nuclear Decommissioning Agency in West Cumbria.

Option bids are expected to be well in excess of the remaining funds available, and it is intended to decide on priorities in Summer 2004 in the light of strategic alignment with the RES, etc, and the value added by ERDF support. Indicative offers will then be made to partners on this basis, with detailed applications then to follow relating to the commissioned themes/projects. The aim is to allocate all the remaining funds by the end of the third quarter.

Following on from the MTE a number of proposed changes to the SPD and Programme Complement were made in respect of Priority 1, which will also be taken account of in these assessments. These were:

- To involve larger firms and public sector organisations where it will help the development of the SME base e.g. through supply chain development;
- More support towards the development of the E-economy in SMEs;
- Support for research links between Universities and larger companies which also support SME innovation activity.

Support for SMEs in spinning out innovation and research from public sector bodies engaged in research (e.g. the NHS).

PRIORITY 2

PEOPLE AND COMMUNITIES

EC guidance to ensure coherence with the Union's policy goals, looks to the Programme to help reduce regional disparities and to establish the conditions which will assure the long term development of the regions. Government policies tackle disadvantage by reviving the most deprived neighbourhoods, reducing social exclusion and providing support to society's most vulnerable groups.



Wythenshawe Town Centre

Priority 2 objectives are compatible with European and national policies and are aimed at empowering and enabling socially and economically excluded individuals to access income and employment opportunities. Following the Mid Term Evaluation process, Regeneris Consulting confirmed that overall the Priority 2 strategy continued to fit the socio-economic and policy context including the Regional Economic Strategy, fairly well.

ISSUES ARISING IN 2003

Management & Overall performance

Management of the 27 Priority 2 Partnerships was strengthened by additional staff and by improved management information systems as for the other Priorities. Priority 2 performance in terms of claims received had been disappointing in 2002 and although the 2003 performance was variable, it was generally improved over the previous year due to Partnership experience, revenue projects coming on stream, and project manager expertise. Roughly half the £80m allocation for 2000 – 03 had been claimed by the end of the year but the overall performance contributed sufficient funds to the Objective 2 Programme as a whole to help avoid de-commitment.

In-year adjustment

Additional allocations were approved by the PM/RC for 8 of the 27 Priority 2 Partnerships in May and for 3 more in August. More minor adjustments were made to other Partnership contracts towards the end of the year as their ability to spend became clearer. These adjustments were entirely separate from future arrangements for the allocation of the remaining Programme resource, to support post 2003 activity and spend.

Lessons learned and Mid Term Evaluation

The P2 contracts for entering into legal and financial commitment concluded in December 2003. Therefore there was a pressing need during 2003 to agree by the third quarter, the levels of finance to be provided to each APP for future years to ensure that Programme activity did not slow in the final quarter.

Discussions with partners flagged the need to preserve some proportion of financial allocations on the basis of per-capita, as per the original allocations, given that the aim of the Priority was to respond to communities in need of economic development.

However it was also recognised that the existing per capita allocation methodology had not universally translated into delivery and that some form of hybrid system would be more appropriate. The Strategy Workshop proposed a 70:30 model which would allocate 70% of the remaining funding to APPs (£26.80m) on a pro-rata basis.

Individual indicative allocations have been given, but final allocations to individual APPs will be dependent on progress against their contracted offer letter and forecasts at each year end.

In response to the evaluation, therefore

- Partners felt that there was moral imperative to preserve money for CED activity in the second half of the Programme. However, it was also recognised that P2 performance needed to improve, and partners agreed to the creation of a reserve pot, which would be retained to finance regional and sub-regionally significant projects, thereby spreading delivery 'pressure' beyond existing APPs. It was decided that new contracting and review mechanisms would be introduced to provide speedier recycling of underused funds.
- In response to the recommendation about the possibility of merging Priority 2 Partnerships, it was recognised that there were capacity issues within existing APPs, and the revised Technical Assistance strategy proposed that additional funding be made available to address APP capacity issues.

The PM/RC agreed that only 70% of available funds will be made available to APPs, and that this would be an indicative allocation subject to satisfactory performance. It was also decided that the commitment period should be extended to December 2004 in Transitional Areas. The remaining 30% would be used to finance activities identified as regionally

or sub-regionally significant in the work on developing a response to the MTE, and to manage movements in exchange rates, specifically:

- Physical (transport related) links between disadvantaged P2 communities and areas of opportunity;
- Particular difficulties in P2 wards where investment would enhance that ward's performance;
- Complementary activity to Housing Market Renewal or other activity to address market decline;
- A strategic approach to the creation of economic activity such as the development of infrastructure for the creation of micro-businesses or community enterprises;
- A concentrated Regional or sub-regional response to the difficulties of P2 wards;
- Activity which is innovative within at least the sub-region and which can be used as exemplars and can be replicated by other APPs.

Bids to deliver regional and sub-regional activity had been requested by the end of February 2004.

Transitional Areas

Transitional Areas faced difficulties in allocating the funding available to them within the time available, and consequently it was agreed that existing contract commitment periods would be extended to December 2004, to allow individual APPs to maximise the funds available to them. This extension is on the proviso that the money is spent and claimed by December 2005.

An additional exercise will be undertaken to identify whether funds can be moved between TA APPs to maximise expenditure. The main issues for the remainder of the Programme are set out below.



Susan Tandon of Step in Sports trying out the Thumb-print Card Fraud Kit-

Performance Management

Partnerships have received indicative lifetime allocations but except for those below £200k additional allocation will receive annual confirmation of contract amounts for future years to ensure strong performance monitoring. Those Partnerships which perform competently will move away from annual contract confirmation.

Regionally/Sub regionally significant Projects

Partnerships were asked for initial bids by the end of February 2004. We have asked some Partnerships to adjust their requested Measure level profiles in line with the available funding. Measures 2.2 and 2.4 are slightly over-subscribed, with funding still available within 2.1, 2.3 and 2.5. The PM/RC may be asked to approve revised Measure allocations.

Outputs and Results Achieved on Priority 2

The achievement of outputs is generally good at the halfway point of the Programme. Given the growing importance of fully engaging local people in employment opportunities, the outputs in measure 2.1 are reassuring. The take up of assistance by community enterprises has already exceeded the forecast.

Progress on the ground is mirroring the Government's neighbourhood renewal strategies aimed at narrowing the gap between deprived neighbourhoods and the rest of the country. Combining the initiatives and funding is helping to build cohesive, inclusive and sustainable communities.

Partnerships will be encouraged to allocate funding to those Measures where there is available funding and outputs shortfalls.

PRIORITY 3

STRATEGIC REGIONAL

INVESTMENT

The principal aim of Priority 3 is to develop new strategic employment sites for industry and business to attract new inward investment to the area. The investment is being implemented through the designation of a limited number of Economic Development Zones (EDZs), managed by relevant Partnership representation on an Action Plan format.

The MTE commented that there was no evidence to question the concept of concentrating investment in areas of opportunity but it suggested possible changes which flowed from analysis of the Priority. The evaluation suggested that there needed to be a clearer alignment of Objective 2 behind the Regional Tourism Strategy and to explore opportunities to invest in transport infrastructure where this linked opportunity and need. There was also a need to recognise differences of approach in rural areas with the development of the knowledge economy particularly challenging.

Issues arising from 2003

As with the work on other Priorities, the emphasis in 2003 was on meeting financial performance targets. Delivery was assisted through the improvements put in place to strengthen the risk assessment and management information processes, to better understand physical and financial progress at project and plan levels.

Performance Management was enhanced through 3 formal rounds of progress review meetings between the EPE and Priority 3 plan partners, in order to gain a realistic impression of current and planned activity, commitment and spend levels up to the year end.

Priority 3 is distinctive insofar as all the available grant was allocated to the Action Plans

(Economic Development Zone Partnerships) during the initial phase of the Programme. This was in recognition of the long lead-in time for large-scale capital investment activity, and the need for external confidence on the availability of the ERDF resource. That said, Priority 3 plan partners were set challenging targets on spend and outputs in order to contribute fully towards the Programme position.

In response to continued concerns about plans' performance against contracted obligations on spend, the Programme Management Group agreed in July that a number of Priority 3 plans be classified as "Category 1", involving greater monitoring and a significant improvement in commitment and spend levels by the end of October (Q3).

This led to 13 of the 15 Priority 3 plan Partnerships being invited to address continuing weak performance by producing a detailed recovery plan by early November, in time for judgements to be made on any downscaling of resources before the year end.

The recovery plan process, which will continue into 2004, led to the Programme Management Group agreeing to reduce £1m from the allocations of two plans, the Bolton and Irwell Corridor Economic Development Zones. The intention was to make these released resources available to support the post 2003 activity referred to later in this section.

Commitment and spend position at outset of 2004

The drive during 2003 to accelerate commitment and spend and improve forecasting reliability met with some success. The Priority 3 Economic Development Zone plans and individual projects supported under M3.3 collectively achieved over £43m ERDF draw down, exceeding the 2003 spend target for the Priority by over £13m.

Performance against contracted obligation was less positive (the aggregate spend target for Priority 3 plans as set out in plan approval letters was £67m for end 2003). Furthermore, plans' commitment levels to projects need some improvement, particularly since the SPD financial tables envisaged that Priority 3 activity



John Rylands Library, Spinningfields, Manchester

and spend would start to accelerate significantly in 2004 onwards, which could only be realised by matching commitment levels.

It remains uncertain whether expectations on commitment and spend in 2004 will match reality for certain EDZ plans, which will continue to remain under close scrutiny. Another area for careful monitoring is the performance levels for Priority 3 Transition Areas, where commitment and spend is proving more difficult.

Outputs and Results Achieved on Priority 3

At this stage the outputs are low because most results will only flow from the capital projects once the substantial investment has been made and work completed. Nevertheless reasonable progress has been made in both the provision of new premises and in refurbished premises.

Tourism strategies are consistent with DCMS's objectives of improving the productivity of the

tourism, creative and leisure industries. The Programme supports the leisure and tourism infrastructure and promotes the development of new and existing assets. Already 6 visitor and cultural attractions have been improved as have 4 visitor and cultural facilities.

Key actions for Priority 3 in 2004

The momentum gained in enhancing the financial management effort for the Priority will continue in 2004, through:

- Effectively responding to intelligence arising from the risk analysis and interactive claim form frameworks;
- Renegotiating financial performance contracts with certain plan partners out of the recovery and implementation planning work currently underway, to better reflect more realistic forecasting, and managing those plans against those renewed contracts;
- Fostering a more cooperative and affiliative relationship between EPE Account Managers and the Plan partners to enhance trust and Partnership working;
- Ensuring a quality product from the investment.

As well as the above, a further critical task for 2004 is the deployment of the additional resource available to Priority 3 both through the reallocation of £2m Partnership resource referred to earlier, the reallocation of any further sums recovered from under performing Action Plans, and the earmarking of some £25m of the performance reserve.

The MTE recommended that the Action Plan process should be retained largely as at present for Priority 3, but questioned the advisability of allocating additional resources to the existing Action Plans in view of performance.

The PM/RC response was to agree that no further Economic Development Zones be designated, but to recognise the regional and sub-regional needs and opportunities arising from three key sectoral areas – tourism, transport and the knowledge base which could be supported through individual projects of

plans. Other regional and sub-regionally significant opportunities in sustainable development would also be explored.

The post MTE negotiations with DG Regio were predicated on securing the necessary amendments to the SPD to enable these themes to be incorporated within Priority 3, and outwith the Economic Development Zone framework if necessary. A commissioning framework to take forward this work will be developed to ensure these additional resources are awarded to strategically important and deliverable schemes.

In summary, in 2004 the existing Priority 3 resource will be consolidated through its full commitment to projects, with continuing monitoring of spend and output performance in order to meet the Programme contractual obligation. The additional resources arising from the treatment of the performance reserve will be committed through the commissioning framework, consistent with existing regional strategies (eg the North West Regional Tourism strategy).

TECHNICAL ASSISTANCE

Technical Assistance for the Objective 2 Programme was divided into "Core" and "Non Core" activity, Core activity has been classified as support for the overall management of the Objective 2 Programme with financial support being given to GONW, NWDA, NWRA and two regional Voluntary Organisations North West Network and Voluntary Sector North West, the Non Core element of the budget provided support for the management of the Objective 2 Programme at Action Plan level.

Applications for Non Core Technical Assistance support have been received from all the Action Plan Partnerships the money being used to supplement the management arrangements of the Action Plans and to provide assistance to applicants in the form of training courses and seminars.

Where Action Plans performed poorly in the first part of the Programme resulting in mainstream funds being returned, consideration was given as to whether the Technical Assistance resources given to

these Action Plans should also be reduced and the money given to the better performing Action Plans. It was decided this was not appropriate as Technical Assistance is intended to assist in the development of activity and is not calculated or allocated on the pace of delivery.

Post 2003

The first round of Technical Assistance applications ran up to 31 December 2003, the mid point of the Programme. At that point there would be a review of the technical assistance budget and the resources available to Action Plan Partnerships.

For 2004 onwards a review was undertaken of how non-core technical assistance had been used by Action Plan Partnerships in relation to the performance of the mainstream Programme. The review concluded that more resources were needed, particularly in the development of Priority 2 projects around community development.

Using this information a number of modelling exercises have been conducted to ensure the technical assistance resources are being made available to those Action Plan Partnerships where most work is required to assist in project development.

Applications for technical assistance support have been invited from all Action Plan Partnerships for the remainder of the Objective 2 Programme.

The post 2004 core technical assistance budget will again be used by the regional organisations, the GONW, NWDA, NWRA and the Voluntary Sector. The funding will build on the work begun in the first part of the Programme such as, the increased influence and support of the Cross Cutting theme advisors to ensure the 3 CCT's are incorporated within project applications, the GONW application will build on the IT software developments currently being implemented by Action plan Partnerships.



Osprey Centre, Cumbria

CROSS CUTTING THEMES (CCT)

The cross cutting commitments of the SPD are embedded within each of the Priorities and Measures and as such are being provided through the Action Plan contracted obligations.

In support of those Action Plans, technical assistance has been used to finance through the Regional Assembly, three skilled individuals who have produced a range of guidance and assist with capacity building within the Action Plan Partnerships. The Regional Assembly also provides the cross cutting support to the Objective 1 Programme on Merseyside and this arrangement ensures co-operation and collaboration to the benefit of both Programmes.

During the course of 2003 two of the three cross cutting managers left the organisation. It was a minor impediment given the support available to the Objective 1 Programme and the substitute arrangements entered into by the Assembly with Equality North West for guidance on equal opportunities and North West Node for the delivery of ICT guidance. Nevertheless recruitment of replacement managers has proved difficult and the method of delivery is being reviewed.

CCTs require the development of a common understanding at Programme level, with implementation across all stages including all policies, documentation and monitoring and evaluation. The MTE specifically considered the CCTs and was broadly supportive of the degree of progress being made but recommended that a much broader definition of equal opportunities be adopted.

During the first half of the Programme, the equal opportunities focus was solely concerned with gender issues but following the MTE, a refocusing of the definition acknowledges Article 13 of the Amsterdam Treaty which provides for measures to combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

The much improved performance management systems contained within the Government Office will provide an improved platform for the CCTs to

target their activities, being able to more effectively identifying those Action Plans and projects which are under performing in terms of CCT outputs.

INFORMATION PUBLICITY

AND PERFORMANCE

The European Programmes require dedicated publicity in order to comply with EU policy, and target audiences which require either information or assistance. The Information and Publicity Strategy for the Objective 2 and 3 Programmes was drafted with regard to Article 46 of Regulation 1260/99 of 21 June 1999.

The strategy aims to raise awareness of funds amongst beneficiaries and raise public awareness of the role played by the EU in regional development. These aims were achieved through targeting specific audiences with a variety of different and overlapping measures.

Regulation 1159/2000 contains a common methodology and approach for information and publicity which has guided the measures used on this Programme. The measures are summarised in a Communication Plan which forms part of the Programme Complement. The MTE considered that the aims and objectives of the plan conform with the requirements of the Regulation.

2003 saw a step change in our quality of information, communication and publicity. A new Communications Officer was appointed to the EPE with links to the Corporate Publicity Team. This officer brought communication and marketing skills to implement the Information and Publicity Strategy. A number of tasks have been undertaken including;

- Development of the eurofundingnw website, including expansion and continued development. The website has been a successful tool in promoting the Programme, although it is clear as ICT develops, further development of the site is required, including easier navigation, better structure and a more modern image;
- The SPD and PC were distributed as a hard copy

or made available to print from the website at considerable financial and environmental cost. Production on a CD Rom is being considered;

- Continued production of the popular @ Home in Europe magazine, meeting the needs for the particular Partnership community which retains the preference for paper based publicity material. It is also distributed electronically and will be made available through the website;
- Mechanisms to further identify and then spread best practice to include production of leaflets promoting Objective 2 and 3, a new map of the area, photo library of images, more effective event feedback etc.
- The communications role will be further enhanced in 2004 and the Programme Executive will be taking steps to ensure that this activity is effectively resourced.

ENVIRONMENTAL PROTECTION AND IMPROVEMENT

There is a growing realisation at European, national and regional levels that competitiveness and quality of life are determined by a combination of social, economic and environmental factors. It is considered essential that economic growth generated by the Programme facilitates greater social inclusion and progress and results in a net improvement to the environment.

The UK Government's policy on nature conservation includes a hierarchy of protective measures and measures to enhance sites. UK Policy is also committed to achieving enhancement through non-statutory mechanisms such as Biodiversity Action Plans. In the North West a Regional Partnership has prepared a Regional Diversity and local Biodiversity Action Plans.

The broad thrust of the SPD reflects social, economic and environmental priorities of the North West and it pursues these priorities in a harmonious manner. The Programme supports the creation and

maintenance of a sustainable, high quality physical and natural environment.

The Programme ensures that developments are located close to and are readily accessible to communities of need through good transport links. Site selection takes account of environmental criteria such as landscape and ecological value.

EQUAL OPPORTUNITIES

The Partnership is required to review the performance of the Action Plan regularly and address any shortfalls in performance against target outputs. A process was implemented to assess the impact of equal opportunities policies. Evaluations measured the extent to which the principle of promoting equal opportunities has been taken into account in implementing the Programme. They took particular regard of the involvement of women in general measures and the relevance and outcome of those measures.

During 2002 and 2003 there has been positive progress towards achieving gender balance in some of the committees running the Programme. On 19 June 2003 PAG members agreed a report on the Equal Opportunities Mainstreaming Plan, a substantial revision of the one in the original RDP. The key action was the need for a commitment to promoting Equal Opportunities throughout the Programme.

Following the MTE a greater emphasis was given to the wider scope of Article 13 of the Amsterdam Treaty which embraced measures to combat discrimination based on sex, racial or ethnic origin, religion, or belief, disability, age or sexual orientation. The improved information management systems will help to target the areas which require more concerted action.

FINANCIAL PLAN FOR THE NORTH WEST OBJECTIVE 2 PROGRAMME 2000 – 2006
Year All Years

Amounts are shown in MEURO

Fully Eligible Area

	Total Cost	Total Public	Public							Private
			Total EU	EU				National		
				ERDF	ESF	EAGGF	FIFG			
Priority 1										
ERDF Related	208.743	187.661	97.180	97.180				90.481		21.082
ESF Related										
Total Priority 1	208.743	187.661	97.180	97.180	0.000	0.000	0.000	90.481		21.082
Priority 2										
ERDF Related	113.094	113.094	56.547	56.547				56.547		0.000
ESF Related										
Total Priority 2	113.094	113.094	56.547	56.547	0.000	0.000	0.000	56.547		0.000
Priority 3										
ERDF Related	351.561	301.963	141.070	141.070				160.893		49.598
ESF Related										
Total Priority 3	351.561	301.963	141.070	141.070	0.000	0.000	0.000	160.893		49.598
Technical Assistance	9.312	9.312	4.656	4.656				4.656		0.000
ERDF	682.710	612.030	299.453	299.453	0.000	0.000	0.000	312.577		70.680
ESF										
Total	682.710	612.030	299.453	299.453	0.000	0.000	0.000	312.577		70.680

FINANCIAL PLAN FOR THE NORTH WEST OBJECTIVE 2 PROGRAMME 2000 – 2006

Year All Years

Amounts are shown in MEURO

Transitional Area

	Total Cost	Total Public	Public							Private
			Total EU	EU				National		
				ERDF	ESF	EAGGF	FIFG			
Priority 1										
ERDF Related	15.458	13.500	6.750	6.750				6.750		1.958
ESF Related										
Total Priority 1	15.458	13.500	6.750	6.750	0.000	0.000	0.000	6.750		1.958
Priority 2										
ERDF Related	0.000	0.000	0.000	0.000				0.000		0.000
ESF Related										
Total Priority 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000
Priority 3										
ERDF Related	35.458	31.093	16.955	16.955				14.138		4.365
ESF Related										
Total Priority 3	35.458	31.093	16.955	16.955	0.000	0.000	0.000	14.138		4.365
Technical Assistance	1.812	1.812	0.906	0.906				0.906		0.000
ERDF	52.728	46.405	24.611	24.611	0.000	0.000	0.000	21.794		6.323
ESF										
Total	52.728	46.405	24.611	24.611	0.000	0.000	0.000	21.794		6.323

FINANCIAL PLAN FOR THE NORTH WEST OBJECTIVE 2 PROGRAMME 2000 – 2006

Year 2004

Amounts are shown in MEURO

Fully Eligible Area

	Total Cost	Total Public	Public							National	Private
			Total EU	EU				FIFG	National		
				ERDF	ESF	EAGGF	FIFG				
Priority 1											
ERDF Related	66.493	59.784	30.990			30.990				28.794	6.709
ESF Related											
Total Priority 1	66.493	59.784	30.990			30.990	0.000	0.000		28.794	6.709
Priority 2											
ERDF Related	33.960	33.960	16.980			16.980				16.980	0.000
ESF Related											
Total Priority 2	33.960	33.960	16.980			16.980	0.000	0.000		16.980	0.000
Priority 3											
ERDF Related	120.653	103.585	48.217			48.217				55.368	17.068
ESF Related											
Total Priority 3	120.653	103.585	48.217			48.217	0.000	0.000		55.368	17.068
Technical Assistance	3.104	3.104	1.552			1.552				1.552	0.000
ERDF	224.210	200.433	97.739			97.739	0.000	0.000		102.694	23.777
ESF											
Total	224.210	200.433	97.739			97.739	0.000	0.000		102.694	23.777

FINANCIAL PLAN FOR THE NORTH WEST OBJECTIVE 2 PROGRAMME 2000 – 2006

Year 2004

Amounts are shown in MEURO

Transitional Area

	Total Cost	Total Public	Public							National	Private
			Total EU	EU				FIFG	National		
				ERDF	ESF	EAGGF	FIFG				
Priority 1											
ERDF Related	15.458	13.500	6.750	6.750					6.750		1.958
ESF Related											
Total Priority 1	15.458	13.500	6.750	6.750	0.000	0.000	0.000	0.000	6.750		1.958
Priority 2											
ERDF Related	0.000	0.000	0.000	0.000					0.000		0.000
ESF Related											
Total Priority 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000
Priority 3											
ERDF Related	19.950	17.435	9.289	9.289					8.146		2.515
ESF Related											
Total Priority 3	19.950	17.435	9.289	9.289	0.000	0.000	0.000	0.000	8.146		2.515
Technical Assistance	0.906	0.906	0.453	0.453					0.453		0.000
ERDF	36.314	31.841	16.492	16.492					15.349		4.473
ESF											
Total	36.314	31.841	16.492	16.492	0.000	0.000	0.000	0.000	15.349		4.473

FINANCIAL PLAN FOR THE NORTH WEST OBJECTIVE 2 PROGRAMME 2000 – 2006

Year 2005

Amounts are shown in MEURO

Fully Eligible Area

	Total Cost	Total Public	Public							National	Private	
			Total EU	EU				FIFG	National			
				ERDF	ESF	EAGGF	FIFG					
Priority 1												
ERDF Related	71.094	63.909	33.071	33.071						30.838		7.185
ESF Related												
Total Priority 1	71.094	63.909	33.071	33.071	0.000	0.000	0.000	0.000		30.838		7.185
Priority 2												
ERDF Related	36.876	36.876	18.438	18.438						18.438		0.000
ESF Related												
Total Priority 2	36.876	36.876	18.438	18.438	0.000	0.000	0.000	0.000		18.438		0.000
Priority 3												
ERDF Related	116.740	100.274	46.860	46.860						53.414		16.466
ESF Related												
Total Priority 3	116.740	100.274	46.860	46.860	0.000	0.000	0.000	0.000		53.414		16.466
Technical Assistance	3.104	3.104	1.552	1.552						1.552		0.000
ERDF	227.814	204.163	99.921	99.921	0.000	0.000	0.000	0.000		104.242		23.651
ESF												
Total	227.814	204.163	99.921	99.921	0.000	0.000	0.000	0.000		104.242		23.651

FINANCIAL PLAN FOR THE NORTH WEST OBJECTIVE 2 PROGRAMME 2000 – 2006
Year 2005

Amounts are shown in MEURO

Transitional Area

	Total Cost	Total Public	Total EU	Public					National	Private
				EU						
				ERDF	ESF	EAGGF	FIFG			
Priority 1										
ERDF Related	0.000	0.000	0.000	0.000				0.000		0.000
ESF Related										
Total Priority 1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000
Priority 2										
ERDF Related	0.000	0.000	0.000	0.000				0.000		0.000
ESF Related										
Total Priority 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000
Priority 3										
ERDF Related	15.509	13.659	7.667	7.667				5.992		1.850
ESF Related										
Total Priority 3	15.509	13.659	7.667	7.667	0.000	0.000	0.000	5.992		1.850
Technical Assistance	0.906	0.906	0.453	0.453				0.453		0.000
ERDF	16.415	14.565	8.120	8.120	0.000	0.000	0.000	6.445		1.850
ESF										
Total	16.415	14.565	8.120	8.120	0.000	0.000	0.000	6.445		1.850

FINANCIAL PLAN FOR THE NORTH WEST OBJECTIVE 2 PROGRAMME 2000 – 2006
Year 2006

Amounts are shown in MEURO

Fully Eligible Area

	Total Cost	Total Public	Public							Private
			Total EU	EU				National		
				ERDF	ESF	EAGGF	FIFG			
Priority 1										
ERDF Related	71.156	63.968	33.119	33.119				30.849		7.188
ESF Related										
Total Priority 1	71.156	63.968	33.119	33.119	0.000	0.000	0.000	30.849		7.188
Priority 2										
ERDF Related	42.258	42.258	21.129	21.129				21.129		0.000
ESF Related										
Total Priority 2	42.258	42.258	21.129	21.129	0.000	0.000	0.000	21.129		0.000
Priority 3										
ERDF Related	114.167	98.103	45.992	45.992				52.111		16.064
ESF Related										
Total Priority 3	114.167	98.103	45.992	45.992	0.000	0.000	0.000	52.111		16.064
Technical Assistance	3.104	3.104	1.552	1.552				1.552		0.000
ERDF	230.685	207.433	101.792	101.792	0.000	0.000	0.000	105.641		23.252
ESF										
Total	230.685	207.433	101.792	101.792	0.000	0.000	0.000	105.641		23.252

FINANCIAL PLAN FOR THE NORTH WEST OBJECTIVE 2 PROGRAMME 2000 – 2006
Year 2006

Amounts are shown in MEURO

Transitional Area

	Total Cost	Total Public	Total EU	Public					National	Private
				EU						
				ERDF	ESF	EAGGF	FIFG			
Priority 1										
ERDF Related	0.000	0.000	0.000	0.000				0.000	0.000	
ESF Related										
Total Priority 1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Priority 2										
ERDF Related	0.000	0.000	0.000	0.000				0.000	0.000	
ESF Related										
Total Priority 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Priority 3										
ERDF Related	0.000	0.000	0.000	0.000				0.000	0.000	
ESF Related										
Total Priority 3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Technical Assistance	0.000	0.000	0.000	0.000				0.000	0.000	
ERDF	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
ESF										
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

PERFORMANCE RESERVE – OBJECTIVE 2 PROGRAMME 2000 – 2006
Year All Years

Amounts are shown in MEURO

Fully Eligible Area

	Total Cost	Total Public	Total EU	Public						National	Private	
				EU			National					
				ERDF	ESF	EAGGF	FIFG	ERDF	ESF			EAGGF
Priority 1												
ERDF Related	6.699	6.699	6.699	6.699								0.000
ESF Related												
Total Priority 1	6.699	6.699	6.699	6.699	0.000	0.000	0.000	0.000	0.000	0.000		0.000
Priority 2												
ERDF Related	0.000	0.000	0.000	0.000	0.000					0.000		0.000
ESF Related	0.000	0.000	0.000	0.000								
Total Priority 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000
Priority 3												
ERDF Related	20.098	20.098	20.098	20.098						0.000		0.000
ESF Related												
Total Priority 3	20.098	20.098	20.098	20.098	0.000	0.000	0.000	0.000	0.000	0.000		0.000
Technical Assistance	0.000	0.000	0.000	0.000						0.000		0.000
ERDF	26.797											
ESF					0.000							
Total	26.797	26.797	26.797	26.797	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

PERFORMANCE RESERVE – OBJECTIVE 2 PROGRAMME 2000 – 2006
Year All Years

Amounts are shown in MEURO

Transitional Area	Total Cost	Total Public	Total EU	Public						National	Private		
				EU			National						
				ERDF	ESF	EAGGF	FIFG	ERDF	ESF			EAGGF	FIFG
Priority 1													
ERDF Related	0.000	0.000	0.000	0.000								0.000	0.000
ESF Related													
Total Priority 1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Priority 2													
ERDF Related	0.000	0.000	0.000	0.000								0.000	0.000
ESF Related	0.000	0.000	0.000	0.000									
Total Priority 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Priority 3													
ERDF Related	6.309	6.309	6.309	6.309								0.000	0.000
ESF Related													
Total Priority 3	6.309	6.309	6.309	6.309	6.309	6.309	6.309	0.000	0.000	0.000	0.000	0.000	0.000
Technical Assistance	0.000	0.000	0.000	0.000									
ERDF	6.309												
ESF					0.000								
Total	6.309	6.309	6.309	6.309	6.309	6.309	6.309	0.000	0.000	0.000	0.000	0.000	0.000

PERFORMANCE RESERVE – OBJECTIVE 2 PROGRAMME 2000 – 2006
Year 2004

Amounts are shown in MEURO

Fully Eligible Area

	Total Cost	Total Public	Total EU	Public						National	Private		
				EU			National						
				ERDF	ESF	EAGGF	FIFG	ERDF	ESF			EAGGF	FIFG
Priority 1													
ERDF Related	2.196	2.196	2.196	2.196									0.000
ESF Related													
Total Priority 1	2.196	2.196	2.196	2.196	0.000	0.000	0.000	0.000	0.000	0.000			0.000
Priority 2													
ERDF Related	0.000	0.000	0.000	0.000	0.000					0.000			
ESF Related	0.000	0.000	0.000	0.000									
Total Priority 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000			0.000
Priority 3													
ERDF Related	6.587	6.587	6.587	6.587			6.587						0.000
ESF Related													
Total Priority 3	6.587	6.587	6.587	6.587	0.000	0.000	6.587	0.000	0.000	0.000			0.000
Technical Assistance	0.000	0.000	0.000	0.000			0.000			0.000			
ERDF	8.783												
ESF									0.000				
Total	8.783	8.783	8.783	8.783	8.783	0.000	8.783	0.000	0.000	0.000	0.000	0.000	0.000

PERFORMANCE RESERVE – OBJECTIVE 2 PROGRAMME 2000 – 2006
Year 2004

Amounts are shown in MEURO

Transitional Area	Total Cost	Total Public	Total EU	Public						National	Private		
				EU			Public						
				ERDF	ESF	EAGGF	FIFG	ERDF	ESF			EAGGF	FIFG
Priority 1													
ERDF Related	0.000	0.000	0.000	0.000								0.000	0.000
ESF Related													
Total Priority 1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Priority 2													
ERDF Related	0.000	0.000	0.000	0.000								0.000	0.000
ESF Related													
Total Priority 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Priority 3													
ERDF Related	3.155	3.155	3.155	3.155								0.000	0.000
ESF Related													
Total Priority 3	3.155	3.155	3.155	3.155	3.155	3.155	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Technical Assistance	0.000	0.000	0.000	0.000									
ERDF	3.155												
ESF							0.000						
Total	3.155	3.155	3.155	3.155	3.155	3.155	0.000	0.000	0.000	0.000	0.000	0.000	0.000

PERFORMANCE RESERVE – OBJECTIVE 2 PROGRAMME 2000 – 2006
Year 2005

Amounts are shown in MEURO

Fully Eligible Area

	Total Cost	Total Public	Total EU	Public						National	Private		
				EU			National						
				ERDF	ESF	EAGGF	FIFG	ERDF	ESF			EAGGF	FIFG
Priority 1													
ERDF Related	2.233	2.233	2.233	2.233									0.000
ESF Related													
Total Priority 1	2.233	2.233	2.233	2.233	0.000	0.000	0.000	0.000	0.000	0.000			0.000
Priority 2													
ERDF Related	0.000	0.000	0.000	0.000	0.000					0.000			
ESF Related	0.000	0.000	0.000	0.000									
Total Priority 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000			0.000
Priority 3													
ERDF Related	6.699	6.699	6.699	6.699						0.000			0.000
ESF Related													
Total Priority 3	6.699	6.699	6.699	6.699	0.000	0.000	0.000	0.000	0.000	0.000			0.000
Technical Assistance	0.000	0.000	0.000	0.000									
ERDF	8.932												
ESF										0.000			
Total	8.932	8.932	8.932	8.932	8.932	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

PERFORMANCE RESERVE – OBJECTIVE 2 PROGRAMME 2000 – 2006
Year 2005

Amounts are shown in MEURO

Transitional Area	Total Cost	Total Public	Total EU	Public					National	Private
				EU						
				ERDF	ESF	EAGGF	FIFG			
Priority 1										
ERDF Related	0.000	0.000	0.000	0.000				0.000		0.000
ESF Related										
Total Priority 1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Priority 2										
ERDF Related	0.000	0.000	0.000	0.000				0.000		0.000
ESF Related										
Total Priority 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Priority 3										
ERDF Related	3.155	3.155	3.155	3.155				0.000		0.000
ESF Related										
Total Priority 3	3.155	3.155	3.155	3.155	0.000	0.000	0.000	0.000	0.000	0.000
Technical Assistance	0.000	0.000	0.000	0.000				0.000		0.000
ERDF	3.155									
ESF					0.000					
Total	3.155	3.155	3.155	3.155	0.000	0.000	0.000	0.000	0.000	0.000

PERFORMANCE RESERVE – OBJECTIVE 2 PROGRAMME 2000 – 2006
Year 2006

Amounts are shown in MEURO

Fully Eligible Area

	Total Cost	Total Public	Total EU	Public						National	Private	
				EU			National					
				ERDF	ESF	EAGGF	FIFG	ERDF	ESF			EAGGF
Priority 1												
ERDF Related	2.270	2.270	2.270	2.270								0.000
ESF Related												
Total Priority 1	2.270	2.270	2.270	2.270	0.000	0.000	0.000	0.000	0.000	0.000		0.000
Priority 2												
ERDF Related	0.000	0.000	0.000	0.000	0.000					0.000		
ESF Related	0.000	0.000	0.000	0.000								
Total Priority 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000
Priority 3												
ERDF Related	6.811	6.811	6.811	6.811						0.000		0.000
ESF Related												
Total Priority 3	6.811	6.811	6.811	6.811	0.000	0.000	0.000	0.000	0.000	0.000		0.000
Technical Assistance	0.000	0.000	0.000	0.000						0.000		
ERDF	9.081											
ESF										0.000		
Total	9.081	9.081	9.081	9.081	9.081	0.000	0.000	0.000	0.000	0.000	0.000	0.000

PERFORMANCE RESERVE – OBJECTIVE 2 PROGRAMME 2000 – 2006
Year 2006

Amounts are shown in MEURO

Transitional Area

	Total Cost	Total Public	Total EU	Public					National	Private
				EU						
				ERDF	ESF	EAGGF	FIFG			
Priority 1										
ERDF Related	0.000	0.000	0.000	0.000				0.000		0.000
ESF Related										
Total Priority 1	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000
Priority 2										
ERDF Related	0.000	0.000	0.000	0.000				0.000		0.000
ESF Related										
Total Priority 2	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000
Priority 3										
ERDF Related	0.000	0.000	0.000	0.000				0.000		0.000
ESF Related										
Total Priority 3	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000		0.000
Technical Assistance	0.000	0.000	0.000	0.000				0.000		0.000
ERDF	0.000									
ESF					0.000					
Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000

CONSTITUTION OF OBJECTIVE 2/3 GOVERNANCE STRUCTURE

Programme Monitoring/Regional Committee

SECTOR/ORGANISATION	PLACES AVAILABLE	
	MALE	FEMALE
GONW (Chair)	1	
ODPM		1
NWDA/NWRA	1	1
Local Authorities		
Cumbria (1) Cheshire (2) Greater Manchester (5) Lancashire (3)	6	5
Voluntary Sector	2	1
Business	2	2
Nominations from: NWBLT CBI Chambers of Commerce		
Education (FE and HE)	1	1
SBS	1	
LSC		1
Trade Unions		1
Environment Agency		1
Rural Issues	1	
Connexions	1	
Jobcentre Plus		1
Chair of Objective 2 Advisory Group	1	
Chair of Objective 3 Advisory Group		1
Chair of Performance Management Group	1	
Advisers:		
European Commission (2) European Investment Bank 1 DTI (1) DWP (1)		

Objective 2 Advisory Group

SECTOR/ORGANISATION	PLACES AVAILABLE	
	MALE	FEMALE
GONW	1	1
NWDA/NWRA	1	1
Local Authorities (from each sub-region)	2	2
Voluntary Sector	1	1
Business	1	1
Education (FE and HE)	1	1
Trade Unions	1	
<u>APP representatives from each sub-region</u>	2	2
Cheshire (1) Cumbria (1) Lancashire (1)		

Objective 3 Advisory Group

SECTOR/ORGANISATION	PLACES AVAILABLE	
	MALE	FEMALE
GONW	1	1
NWDA/NWRA	1	1
Local Authorities (from each sub-region)	2	2
Voluntary Sector	1	1
Business	1	1
Education (FE and HE)	1	1
Trade Unions	1	
LSCs	1	1
Jobcentre Plus		1
<u>representatives from each sub-region</u>	2	2
Cheshire (1) Cumbria (1) Lancashire (1) Greater Manchester (1)		

OBJECTIVE 2/3 GOVERNANCE STRUCTURE

