

ECONOMIC DEVELOPMENT COMMITTEE

Date: 9 February 2000

Venue: Committee Room 1, National Assembly Building

Title: Objective 1 -Action Plans

PURPOSE

The Assembly has agreed that implementation of Objective 1 should be managed strategically through the establishment of Action Plans under the supervision of representative partnerships. A range of plans is under discussion and a report on progress will be submitted to the Committee for its meeting on 1 March. This paper illustrates how linkages between the plans might be approached.

2. The Committee's views are invited on the balance to be struck between plans at various spatial levels, so these might be taken into account in continuing partnership discussions.

BACKGROUND

3. Action Plans are envisaged at 3 levels:

Regional:	the whole of the Objective 1 area
Sub-Regional:	not Programme -wide, but extending well beyond the boundary of a single local authority area
Local:	related to a single local authority area (or a part of, where preferred)

There will be tailored arrangements for single, major projects.

4. The choice of Action Plans and the detailed guidance to be followed by the partner bodies will be considered by the shadow Monitoring Committee in early March. The aim is a structure that will derive maximum impact from the funds, ensure their most efficient and effective deployment, and allow all sections of the partnership to influence implementation of the Programme.

Regional

5. Regional or pan-Objective 1 area Action Plans would be the norm for the following policy and management objectives and for the kinds of schemes set out below for illustrative purposes.

- effective integration with the Assembly's own policies and programmes;
- delivery of uniform services;
- a consistent quality of output;
- a system of priority setting that delivers best value for money;

- the exploitation of policy delivery, expertise and capacity located in national bodies;
- economies of scale;
- action in areas where it would not otherwise occur;
- a national focus for promotions or activity outside Wales.

6. A number of sectors have already been identified where partnerships are working up detailed Action Plans for consideration. These include:

- skills upgrading and the human resources agenda
- the unemployed and the economically inactive;
- innovation and ICT
- strategic sites and premises
- entrepreneurship, business advice, support and finance
- agri-food
- tourism
- the environment
- sustainable development and energy
- community capacity-building

7. As discussions progress, others activities may be identified which meet the criteria set out above.

8. Regional Plans will be expected to define the sectors or services to be covered, the standards to be set, the outcomes and the targets to be achieved against those in the SPD, and the process for delivery. Even where there is central co-ordination, standard setting and supervision, Action Plans need not necessarily exclude more localised delivery mechanisms. Each partnership will be free to recommend the arrangements best suited to the sector, for example systems whereby funds would be allocated through:

- a centrally administered Regional partnership organisation;
- partnerships at the sub-Regional or Local level accessing funds from the Regional partnership organisation;
- inclusion in sub-Regional or Local Action Plans

9. In general, it is not anticipated that Regional Partnerships would have exclusivity over funds within a particular Priority or Measure -there would be a balance available to which others would have access. The Monitoring Committee may, however, wish to take into account the views of the Regional partnership where there are competing demands for funding for similar purposes from across the Programme area. The scope of Regional Action Plans and the amount and terms of the funding to be made available will be determined by the Programme Monitoring Committee.

Sub-Regional

10. Sub-Regional partnerships and activities are likely to arise from consideration of Regional or Local Action Plans and, as with others, would be pursued where these were seen to offer the most efficient

means of managing Programme implementation. They are more likely to be favoured in certain sectors eg employment measures or proposals for integrated transport, than others. Some consideration can be given here to how to allow for the rurality factor. Rural parts of Objective 1 could be a sub-regional partnership area: or rurality and its advantages and disincentives could be considered so widespread across Objective 1 in Wales that it would be better considered by sector and its latent economic development potential covered in those sectors such as agri-food, tourism and the environment.

Local

11. Within a framework of Regional plans, locally based integrated action will often offer the best means of co-ordinating the activities of different bodies, targeting local needs and providing links across policy areas. Local Action Plans are seen as an important means of Programme implementation. They will bring solutions closer to the problems given the diversity of the Objective 1 area. This should help communities realise their inherent development potential and promote sustainable development.

12. Local Action Plans will not duplicate provision under Regional arrangements but may on the other hand be proposed as an effective means of delivery for services determined at the Regional or sub-Regional level. Local partnerships should ensure that links are made between different bodies, both national and local, and between different policy areas to secure "joined-up" development and add value.

13. Local Action Plans will normally cover a coherent geographical area on which it is appropriate to focus co-ordinated action, normally a local authority area or below. These would include integrated proposals for the economic development of the area. Plans would be expected to be multi-annual, cover a range of SPD Priorities and represent an agreed strategy involving all key public, private and voluntary sector partners, working in partnership. Local plans could be expected to cover a wide range of activity eg

- business competitiveness and innovation
- support for new and existing SMEs
- ICT investment, marketing and training
- local tourism marketing and development
- urban and rural regeneration
- community regeneration
- employability and labour market
- skills
- accessibility and transport
- protection and enhancement of the environment.

14. The Programme Monitoring Committee would determine the award of grant aid to support Local Action Plans.

Major Projects

15. Major projects, outside the scope of Action Plans at the Regional, Sub-Regional or Local level, will

be handled direct by the Programme Executive.

They will be subject to consideration by the Programme Monitoring Committee and, where appropriate, by the European Commission.

Examples

16. An illustration of how Action Plans might operate in certain sectors is set out in the Annex.

Accountable Bodies

17. The intention is that the Action Plan process should be underpinned by the appointment of "Accountable Bodies" to initiate partnerships and to enjoy some measure of financial and operational freedom in the management of agreed Plans. This could for example enable partnerships to:

- determine the award of grant aid to projects
- make minor adjustments to agreed Plans (eg virement between financial years) and
- monitor progress with implementation and the achievement of targets.

Each Accountable Body would have to ensure compliance with EU and domestic rules and handle all administrative and technical matters. The belief is that EU technical assistance would be required to help the public, private and voluntary sectors to implement the SPD successfully.

18. A study is in hand on the complex financial, legal, systems and related issues that this would entail. In the interim, Action Plans will be developed so that they are capable of administration either under an Accountable Body system or under conventional European management systems.

European Affairs Department

ANNEX

ACTION PLANS: LINKAGES

UNEMPLOYED AND ECONOMICALLY INACTIVE

This Regional Action Plan will support active labour market measures to help unemployed people into work and include specific measures targeted at the most socially excluded. The Plan will complement and enhance existing UK Government and National Assembly policies. It will provide a coherent framework within which additional provision will be made available to unemployed people and other economically inactive client groups. Two main approaches will be adopted:-

- (a) adding value by extending the range of support available;
- (b) new provision to help those not effectively catered for at present.

Delivery -Regional and Local Links

2. At the Regional level, a "one-thirds" Partnership Board will be formed to work closely with the Wales New Deal Task Force and the network of established sub-Regional New Deal partnerships. A consultation exercise is currently underway on the content of the Action Plan. As lead body, the Employment Service will also be involved in the partnership developing complementary proposals for a regional HRD package

3. The Employment Action Plan will set a strategy and targets at the Regional level. Local partnerships will be able to bid for resources from the Regional partnership to implement programmes within their areas, specifying the targets to be achieved and the resources required. Provision would be organised and delivered at local level, involving a range of local providers (eg colleges; voluntary sector; careers companies etc). These arrangements will make it easier for local partnerships to access ESF funds as simpler bidding arrangements will apply. Local partnerships will still be able to access Objective 1 funding to support specific local initiatives that might not fall within the scope of Regional Action Plans.

HUMAN RESOURCE DEVELOPMENT (HRD)

4. A consortium drawn from the HE, FE, TEC and Careers Service sectors will propose establishment of a European Development Unit under the direction of a Partnership Board to lead the development of HRD Action Plans at the Regional level. The Unit subsequently would fulfil the functions of an "accountable body". Post CETW, the Unit would be integrated within the Welsh Funding Councils.

5. The consortium has identified a number of separate themes which a Regional HRD Action Plan might address:-

Higher level Skills

Specific and Technical Skills

Management Development and Technology based Learning

Generic/Transferable Skills

Skills, Research and Analysis

Workforce Development

Widening and Sustaining Participation

Continuous Professional Development

Strategic Improvement of training Facilities, Structures and Systems

Transition from Education to Work

Delivery -Regional and Local Links

6. An HRD Action Plan would include some activities which would be planned, managed and delivered at a regional level but in the main the intention is to provide a framework within which locally based organisations could bid for and access funding. Further work is in hand to determine the range of activities and initiatives which might be funded from a Regional HRD Plan and what should more appropriately form part of Local Action Plans.

7. The pattern is likely to be diverse. For example:-

- Workforce Development

Twenty Manufacturing Companies in West Wales are involved in upskilling of the workforce in partnership with a College and EMTA. Financing currently includes FEFCW, the West Wales TEC and the companies involved. The geographical area covered is from Fishguard to Aberdare

and over 2000 employees directly benefit. To develop and extend such initiatives under Objective 1 could involve a multiplicity of different local Action Plans. A Regional Action Plan would cater for this more effectively.

- Customised training

SMEs throughout Objective 1 will require specific training tailored to meet their particular needs. Provision might best be arranged through local action plans.

- Generic Transferable skills

In order to maximise impact and ensure cost effectiveness, planning and standard setting for new transferable skills might best be arranged centrally with funding for local delivery available through the Regional HRD Action Plan. Without this direction, coverage could be patchy and the benefits lost to certain parts of the programme area.

ECONOMIC DEVELOPMENT FUND

8. The proposed Economic Development Fund (working title "Finance Wales") will seek to provide debt, equity and management support for growth orientated and potentially viable small and medium sized businesses which are unable to raise the appropriate finance from commercial sources. The aim is to provide those critical additional funds which can turn a viable business unable to attract the necessary financial support from other sources, into one that is both viable and an attractive proposition for private sector financiers.

9. The Fund will be independently controlled but supervised by a committee representing partners in the public, private and voluntary sectors.

10. The Economic Development Fund will be sub-divided into a number of independently managed individual funds which will be tailored to provide support to defined geographic areas and specified business segments within those areas, the overall aim being to complement regional, sub-regional and local plans for SME development. Potential borrowers and investee businesses will deal directly with the new body and will not therefore become involved in any bureaucracy.

Community Capacity Building

11. This Regional Action Plan will take a strategic approach so that, throughout the area, new and expanded community-led activity can be identified, developed and supported to ensure that the full potential of the voluntary sector's contribution to the SPD will be realised. The aim will be to provide equality of opportunity and of access for voluntary and community organisations in order to identify and remove barriers to social inclusion. By prioritising activities which would involve or be led by people and communities which are marginalised, disadvantaged and facing social exclusion, the Plan will address the following linked themes:

- Partnership and community capacity building strategy (including programmes to support community-led initiatives, community buildings and facilities, community/private sector links and access to technical and professional services);
- Promotion of enterprise through the social economy;
- Community action to stimulate and support community led responses to social exclusion;
- Informal and community based learning strategy;

Delivery - Regional and Local Links

12. At the Regional level, a "one thirds" partnership will be formed bringing together the expertise of national and regional organisations and networks working in and committed to the particular area of activity. As the lead body, WCVVA would be expected to function as an "accountable body" and draw up and implement a partnership strategy to:

- support programmes of work that can be managed most effectively by organisations operating on a programme-wide or regional basis;
- lever in matching funding from charitable and other sources to support umbrella grant programmes for local community led initiatives;
- focus on stimulating new activity, and expanding the contribution of organisations that are less well-developed and that lack the capacity and recognition to access funding through other routes;
- identify and support local capacity building and technical assistance agencies able to act as delivery partners to assist local organisations to develop and implement their own proposals, and to enable them to engage with and access resources through local partnerships where this is appropriate;
- support portfolios of projects assembled by the local capacity building and technical assistance agencies on behalf of local groups, where these are not suitable for inclusion in local strategies;
- incorporate grant schemes to stimulate and support small-scale or "first step" community activities.

13. The Regional Action Plan will dovetail with and extend work undertaken by local partnerships that involve the third sector. Through its capacity building and partnership theme, it will ensure that there is an independent means of supporting the sector's involvement as an equal partner in local strategies. This will be achieved by providing resources to umbrella bodies to enable third sector representatives to participate at all levels of area partnership, and to contribute and develop their own ideas.

14. Local umbrella bodies will be appropriately placed to identify local initiatives that can be included in local packages and will be able to secure resources for them through this route. However, they will also be able to identify initiatives that are not suitable for inclusion in local packages, but which do not conflict with them, and which do contribute to overall SPD objectives. These will be proposed for inclusion within their portfolio of activities to be resourced through the Regional Action Plan.

DEVELOPMENT OF A KNOWLEDGE-DRIVEN ECONOMY

15. A Regional Action Plan will support measures to enable all sectors of the community to exploit the benefits of the new Information and Communication Technologies (ICT). The measures will complement and enhance existing HMG, Assembly and European policies.

16. Challenging targets have been set to bring the benefits of the Information Society to all citizens, improve the effectiveness of public services, increase the competitiveness of businesses, and enhance education and training opportunities. The key to building a knowledge-driven economy will be to ensure that all sections of the community gain from the Information Age. The challenges are not just about technology and business-related applications. They can be addressed only if people working together in partnership.

17. A new Partnership will manage a coherent strategic framework for the transformation to a knowledge-driven economy. The approach to be adopted will aim to stimulate demand for the new technologies, build the capacity to satisfy the increased demand via a strong indigenous supply side, and enhance the institutional capabilities and public/private partnerships required to handle large-scale ICT-related programmes.

Delivery - Regional and Local Links

18. At the Regional Level, an inclusive Partnership will be formed with senior representatives from the public, private, education and voluntary sectors, all of whom will be stakeholders in transforming Wales into a leader in the Information Age. The Partnership will develop a strategy and establish regional targets based on the UK Government's and European Commission's declared objectives and oversee the implementation of specific action plans needed to put the strategy into effect, specifying the priorities and resources. The WDA, will provide executive and administrative support.

19. Once the details of the Regional Action Plan have been approved by the Programme Monitoring Committee, local partnerships will be able to bid for resources from the Regional Partnership body to implement programmes within their areas, in accordance with the priority packages and action plans identified at the Regional level, specifying the targets to be achieved and resources required. Programmes would be organised and delivered at a local level, involving a range of local partners from appropriate sectors e.g. colleges, voluntary organisations, local authorities and the private sector. In addition, local partnerships will still be able to put forward proposals for, and access funding to support, specific local initiatives which might, because of their innovative nature, not fall within the scope of the Regional strategy and action plans.

ENTREPRENEURSHIP

20. Successful implementation of the Entrepreneurship Action Plan will provide the dynamic lead to create new business opportunities and develop viable options for many not just the few. The strategy will reflect the importance of successful entrepreneurship and the need to increase the level of business start-ups in Wales and the rate of survival, innovation and growth rates among small and medium sized firms in Wales. The entrepreneurship strategy will be built around three main challenges:-

Recognising the opportunity -	creating a greater awareness of the opportunities and benefits of entrepreneurship
Creating Enterprises -	creating a greater number of sustainable start-up businesses in Wales with potential for further growth particularly by under represented groups of society.
Going for Growth -	to increase the number of businesses in Wales that grow, creating wealth and employment opportunities

Delivery-Regional and Local Links

21. The Regional Action Plan for entrepreneurship has hitherto been developed under the leadership of a representative Steering Group including both Private, Public and Academic practitioners. The WDA has provided the executive support to the Group. To supervise the delivery of the Objective 1 Action Plan, the Group will be expanded to embrace the principles of wider partnership based on the "one-thirds" principle.

22. There will need to be effective mechanisms in place to ensure the Action Plan strategy is deliverable at both the local and sub regional level, including a range of local providers such as enterprise agencies, the voluntary sector and colleges. The WDA will continue to provide executive support through its proposed role as accountable body.

SITES AND PREMISES

23. The need to provide for an adequate supply of strategic, high quality sites and premises is vital to future economic regeneration for indigenous business development as well as inward investment. The Regional Action Plan will draw together a co-ordinated, strategic approach to future provision of sites and premises which will lead to the preparation of a comprehensive national plan addressing:

- the current supply of sites and premises and infrastructure improvements required for future growth and development;
- the identification of gaps and weaknesses;
- the prioritisation of projects ;
- long term investment strategies for the provision of infrastructure by, both, the public and private sectors;
- review and development of appropriate mechanisms for bringing projects forward (such as private/public partnerships, private finance, etc).

Delivery – Regional and Local Links

24. Sub-regional partnerships involving the WDA could where necessary be broadened to embrace a fuller range of partners in order to agree a series of sub regional priorities. Each sub region would thus contribute to the development of a co-ordinated Regional Action Plan which would be integrated with other development measures promoted within the SPD. Plans would include proposals for the future development, or redevelopment, of existing industrial estates and business parks together with the bringing forward of new strategic opportunities for employment-related purposes.

25. Each of the existing Regional Fora have started the process of assessing existing supply and identifying constraints to future development. This work will be brought together to provide an early start on identifying priority areas for action. These will include enhancement of current developments with appropriate data and telecommunication links. The Plan should also include proposals for the provision of a wide range of business premises intended to support economic growth, social inclusion and increased skill levels. The Regional Development Plan would set the overall direction and a clearly defined strategy but significant influence would be exercised at the sub-regional level. Smaller scale initiatives in Local Action Plans could still access funding, where appropriate, through the sub regional partnerships.

ENVIRONMENTAL TOURISM

26. A Regional Action Plan for promotion and development of the tourism industry in Wales is being prepared. As part of this approach, a Regional Programme to enhance in a sustainable way the economic benefit to communities from selected nature reserves is also under consideration.

27. The objectives will be to increase visitor spend by:

- increasing visitor numbers
- extending the period of stay

This will be achieved by a programme of:

- enhancing the features and visitor facilities of selected nature reserves
- development of a suitable tourism product with local tourism businesses
- marketing that product
- developing the network of voluntary nature reserve wardens from within local communities and provide suitable training.

The programmes will be carried out through a partnership of CCW, WTB, National Parks, Local Authorities, Regional Tourism Companies, Voluntary Conservation Bodies, local community organisations and tourism businesses.

CCW will take the initiative to formulate a programme in consultation with partners for inclusion in the overall tourism development plan.

European Affairs Department