



EC Structural Funds

MERSEYSIDE

Single programming document 1994-99

**Objective 1: Structural development and adjustment of regions
whose development is lagging behind**

European Commission

The Objectives of the Structural Funds

Objective 1 (1994-1999)

Economic adjustment of regions whose development is lagging behind.

Objective 2 (1994-1996)

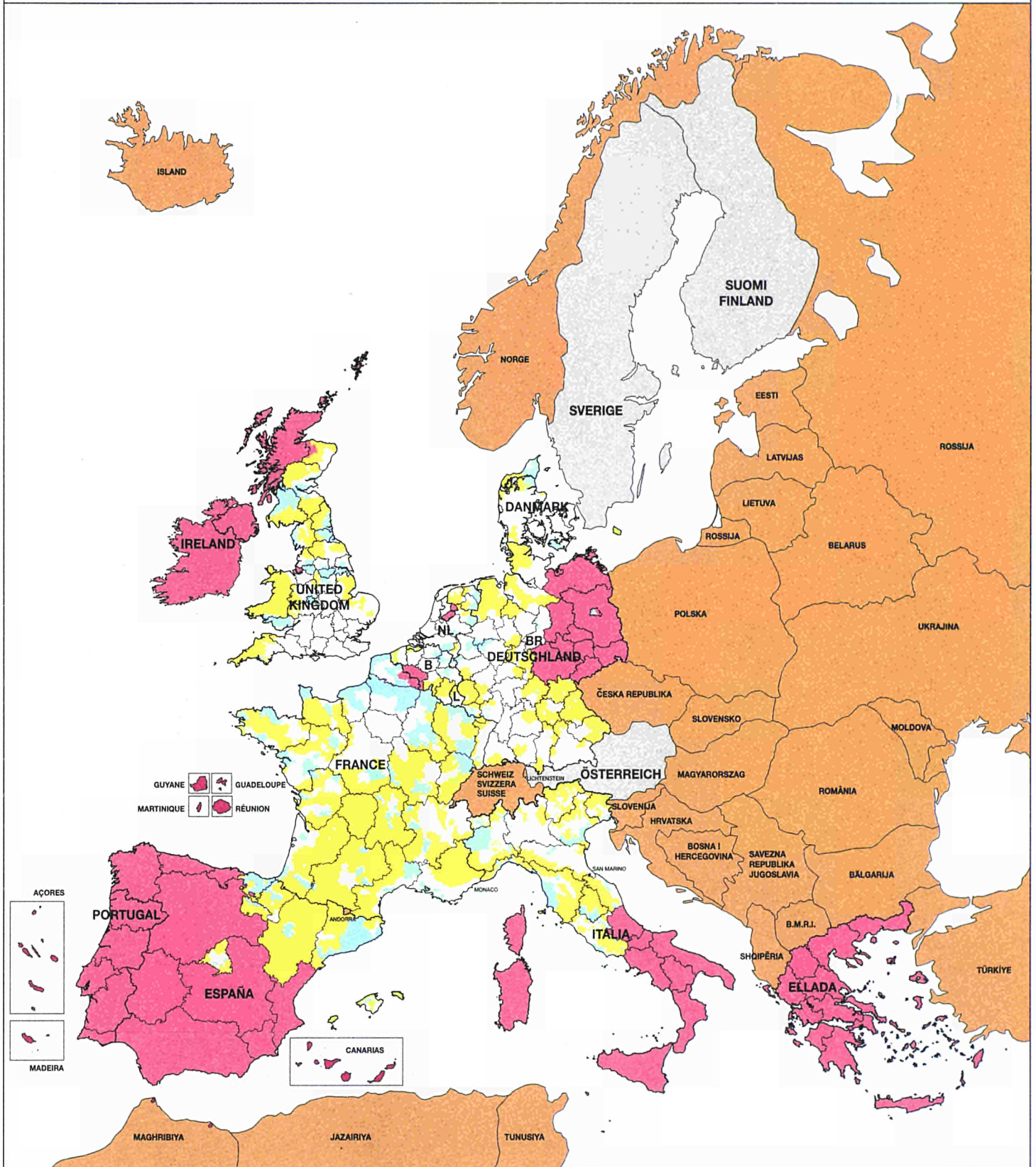
Economic conversion of declining industrial areas.

Objective 5b (1994-1999)

Economic diversification of rural areas.

New members (1.1.95)

Information on the eligible areas in Austria, Finland and Sweden will be available shortly.



The lists of areas eligible under the Structural Funds are published in the Official Journal of the European Communities. This map gives only general guidance.

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Single programming document
1994-99

**Objective 1: Structural development and adjustment of regions
whose development is lagging behind**

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Cataloguing data can be found at the end of this publication

Luxembourg: Office for Official Publications of the European Communities, 1995

ISBN 92-826-8799-6

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Printed in Germany

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Preface

This document has been drawn up in response to the regional development plan for the Objective 1 region of Merseyside — 'Merseyside 2000' — presented to the Commission by the United Kingdom Government on 4 November 1993, and containing the proposals of the local, regional and national Structural Fund partnership.

The United Kingdom chose to present Merseyside 2000 in the form of a 'single programming document' as provided for under Article 5(2) of Council Regulation (EEC) No 2082/93.

In response, the Commission has drawn up this document, in agreement with the United Kingdom, and through the partnership. The document is the subject of the Commission Decision referred to in Article 10(1) of Council Regulation (EEC) No 2082/93.

It constitutes the basis on which Structural Fund assistance to Merseyside through Objective 1 will be implemented for the 1994-99 period.

It contains:

In Chapter 1

- A summary of the key social and economic features of Merseyside, and a setting of Merseyside in its context as a region of the European Community.
- A brief synthesis of previous public sector support to Merseyside, including a summary appraisal of previous Structural Fund assistance.
- A summary prior appraisal of the Objective 1 programme, and quantified objectives for Structural Fund support.

In Chapter 2

- An outline of the strategic context of Structural Fund investment on Merseyside in three key areas: investing in industry and services, investing in the people of Merseyside, and the environment and sustainable development.
- A statement of the regional development priorities for Merseyside for the 1994-99 period, and a description of the measures that constitute the Objective 1 programme.

In Chapter 3

- The financial plan of the Merseyside Objective 1 programme.
- A first assessment of additionality in accordance with Article 9 of Council Regulation (EEC) No 2082/93, for Objective 1 regions in the United Kingdom.

In Chapter 4

- A description of the administrative and financial arrangements for implementing the Merseyside Objective 1 programme.

Chapter 1

The regional development context of Merseyside

1.1. Introduction

To appreciate Merseyside's relationship with European Structural Funds, the region needs to be placed in its full economic, social and geographical context. Merseyside is, first and foremost, an important region in its own right, but also an integral part of the wider North West region of England, which stretches from North Wales up to the Lake District. The North West, in turn, comprises a significant part of the traditional industrial heartland of England, including not only Liverpool and the Merseyside area, but the large conurbation around Manchester.

However, Merseyside cannot be looked at purely in its regional or national context. As far as the Structural Funds are concerned, it must be looked at in its context as a region of the European Community, which took the step in July 1993 of giving Merseyside a special status.

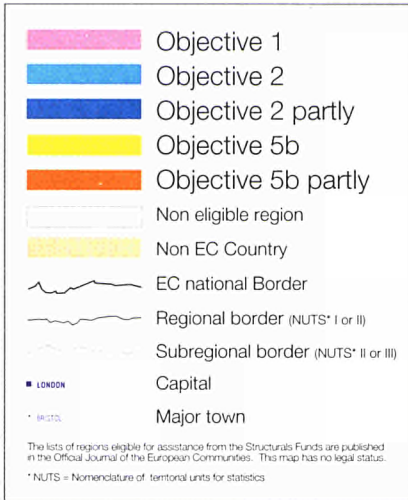
That status, Objective 1, was given because of Merseyside's position in relation to the European Community as a whole. Objective 1 is part of a whole range of policies linked to strengthening the economic and social cohesion of the Community.

This Chapter summarizes some of the key economic and social features of Merseyside that lay behind the decision to give Objective 1 status.

It also tries to set Merseyside in its European context. The Structural Funds are only one part of that context, and a number of other Community policies are outlined below. These policies are relevant to the context within which the Structural Funds will operate under Objective 1. Many of them provide opportunities to reinforce Structural Fund activity, and make the Objective 1 programme more successful.

Finally, this Chapter contains a summary prior appraisal of the Objective 1 programme. This also includes an evaluation of previous Structural Fund assistance to Merseyside.

Eligible areas under Objectives 1, 2 and 5b in the United Kingdom and Ireland



1. Dublin: Dublin, Dun Laoghaire-Rathdown, Fingal and South Dublin
2. South-East: Kilkenny, Carlow, Wexford, Waterford City and County, Tipperary (SR)
3. South-West: Cork City and County, Kerry
4. Mid-West: Clare, Limerick City and County, Tipperary (NR)
5. West: Galway City and County, Mayo, Roscommon
6. Border: Donegal, Leitrim, Cavan, Monaghan, Louth, Sligo
7. Midlands: Offaly, Longford, Westmeath, Laois
8. Mid-East: Kildare, Meath, Wicklow



1.2. The social and economic situation of Merseyside

Some of the key features of Merseyside's economy and society are:

- GDP per head of population declining relative to the EC average: from 95% of the average in 1983 to an estimated 74% in 1989; this decline determined the designation of Objective 1 status for the region; by 1992, GDP per head was estimated to have fallen to 73% of the EC average;
- unemployment at very high levels, and increasing in the early 1990s to 70% above the EC average;
- high rates of long-term unemployment, with the 1991 census suggesting that 40% of all unemployed had either never had a permanent job or had not worked in the previous 10 years; this amounts to some 30 000 people;
- declining economic activity rates, as people become increasingly discouraged from seeking employment;
- a high level of out-migration, with Merseyside's population down from over 1.7 million in 1961 to a total of only 1.38 million in 1991, a decline of 20%.

Further detail on social and economic conditions relevant to Structural Fund action is given in Chapter 2, and includes:

- a geographical concentration of very high unemployment: the inner city areas of Liverpool along the riverside have unemployment rates of over 40%; there are also high concentrations of unemployment on peripheral housing estates in Kirkby, Huyton, Birkenhead and Speke/Garston, with rates of over 30%;
- a low level of small firm creation, with dependency on large firms and the public sector;
- a poor record of employment performance: on average, Merseyside has lost 7 600 jobs each year since 1981, at a time when employment in the United Kingdom and the European Community grew;
- a low level of educational attainment and professional qualification: some 28% of those leaving school have no qualifications at all, over twice the level in the UK as a whole; about 12% of people between 18 and retirement age on Merseyside had post-school qualifications (diploma, degree, etc.) compared with an estimated 16% in Great Britain; vocational qualifications of those in employment are also low relative to the national average;
- a low level of car ownership, with a consequent dependence on public transport;
- a substantial amount of derelict land — 1 700 hectares, a concentration of dereliction over 10 times the national average, focused in St Helens, North Liverpool and the Mersey coast of Wirral; there are also a number of town centres with poor environmental quality, such as Kirkby.

1.3. The European Community context

Community structural policy

Article 130a of the Treaty on European Union gives the European Community the objective of strengthening the economic and social cohesion of Europe.

In pursuit of that objective, the Community has been set the aim of reducing regional disparities within Europe.

The three Structural Funds — the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the European Agricultural Guidance and Guarantee Fund — Guidance Section (EAGGF) — are the primary financial instruments of the European Community's structural policy. They are designed for dealing with the sorts of economic and social development disparities described above in the case of Merseyside.

The main way in which the Structural Funds carry out their task of reducing regional disparities is through Objective 1, on which a large proportion of resources is concentrated.

However, Objective 1 status is not Merseyside's introduction to Community regional policy. The Structural Funds have been contributing to the economic regeneration of Merseyside through regional development programmes since 1989. The experience gained from these programmes has been valuable, and a short appraisal of these programmes focusing on the main lessons of that experience is given in the next chapter.

Over the 1989-93 period, the financial contribution from the Structural Funds to Merseyside through all Objectives has amounted to over ECU 334 million in today's prices — an average of almost ECU 67 million a year.

In recognition of the worsening situation which led to Objective 1 status, Europe's contribution will double over the 1994-99 period to an average of ECU 136 million per year. Over the six years to the end of the century, this level of support amounts to a total of ECU 816 million.

Other Community policies

Europe's contribution cannot be expressed purely in terms of the Structural Funds. There is a wide range of European policies that is important for Merseyside's economic and social development.

Implementing the Merseyside Objective 1 programme requires compliance from a legal and administrative point of view with all Community policies. These legal and administrative aspects are described in more detail in the standard clauses on Community policies, included in Chapter 4.

However, these Community policies also represent an opportunity for Merseyside to make more of Objective 1 status and have a more effective programme. The following examples give an indication of some key areas in which the wider European dimension needs to be taken into account in developing effective Structural Fund action:

- **The competitiveness of industry:** the European Community has the general task, set out in Article 130 of the Treaty on European Union, of encouraging an environment favourable to initiative and to the development of businesses in Europe, as well as speeding up the adjustment of industry to structural change.

An important strand of that policy is the fourth framework programme for European research and technology, whose priorities and budgets have recently been agreed for the 1995-99 period by the Council and the European Parliament. The main aim of the policy is to maintain and strengthen the international competitiveness of European industry in high technology sectors in the face of competition on global markets. Projects that produce real value-added as a result of being handled on a European scale are supported, generally at rates of up to 50% of cost. Funding opportunities are open to industrial companies, universities and private and public research institutes. The main priority areas are information

and communications technologies, industrial and materials technologies, energy and environmental technologies.

Part of the research and development priority within the Objective 1 programme is to help Merseyside's companies and research centres make the most of the framework programme's opportunities.

- **Economic policies and regional development:** through Article 130b of the Treaty on European Union, the Member States have agreed to conduct and coordinate their economic policies in such a way as to attain the objective of reducing regional disparities and strengthening economic and social cohesion.

In other words, the Treaty recognizes the importance of the link between regional development and overall economic performance. Strengthening the economy of Merseyside will help strengthen the economy of the United Kingdom, and ultimately of the European Community as a whole. The Structural Funds on Merseyside must therefore be looked at not only in their national context, but also in their wider European context. The actions of the Structural Funds on Merseyside will be judged against their success in reducing the disparity between Merseyside and the rest of Europe.

- **Completion of the internal market:** The Treaty on European Union characterizes the internal market by the abolition of obstacles to the free movement of goods, persons, services and capital, as well as involving a system ensuring that competition in the internal market is not distorted. The European Community is responsible for ensuring that State aid is strictly controlled and that public procurement is open to free competition.

The Treaty also requires the Community to take into account the objective of economic and social cohesion in implementing its internal market measures. So, under certain conditions, the award of public contracts may take regional or social preferences into account — e.g. increasing opportunities for the long-term unemployed — providing these conditions are not discriminatory as between potential contractors.

Similarly, the European Commission has established conditions on support for private sector investment in certain regions in a way that is compatible with the internal market. For Objective 1 regions, in accordance with Article 92.3.a of the Treaty, aid to investment, expressed in terms of net grant equivalent, is subject to an absolute maximum limit of 75% of investment costs, from whatever source. This limit applies in Northern Ireland and the Highlands and Islands of Scotland. On Merseyside, reflecting historical experience, the current limit is 30% of investment costs. Any change to this limit must be proposed by the United Kingdom and approved by the Commission under the rules on State aid.

- **Sustainable economic development:** Article 130r of the Treaty on European Union sets the Community certain objectives for its environment policy, including protecting and improving the quality of the environment, protecting human health and using natural resources in a prudent and rational way.

The Community is required to take into account regional development concerns in preparing its policy on the environment.

The United Kingdom, in addition to its obligations under the Treaty on European Union, has also committed itself to the principles of sustainable development under the Rio Treaty. It has recently set out its policies for sustainable development in a comprehensive fashion in *Sustainable Development, the UK Strategy* (HMSO 1994).

In the case of urban areas, such as Merseyside, both the Commission and the United Kingdom share a number of lines of action on the environment, including:

- (i) incorporating environmental assessment in a more systematic way in urban planning;
- (ii) managing urban traffic with environmental concerns in mind — in the case of the UK Government, this has most recently been propounded in PPG 13;
- (iii) protecting the historical heritage and natural environment of cities;
- (iv) assisting the development of small businesses in the city, including advice and support for good environmental practice;
- (v) the job creation potential of environmental activities;
- (vi) planning and managing urban energy and urban waste in a more rational way.

The Objective 1 programmes for all regions in the European Community are required to contain environmental assessments. In the case of Merseyside, this is dealt with in the section in Chapter 2 on the strategy for the environment and sustainable development, containing the environmental profile of the region. That includes specific provision in the programme's administrative arrangements for strengthening environmental assessment throughout its implementation, including designation of the competent authorities who will manage the environmental aspects of the programme.

- **Trans-European networks:** The Treaty on European Union emphasizes the contribution that trans-European networks can make to helping regions, particularly islands or peripheral areas, take advantage of the internal market. While Merseyside is well connected to the UK transport network, there may be potential to take advantage of the growing interest of businesses on both sides of the Irish Sea in developing links with Ireland. Some of the measures outlined in this document have these developments in mind.

1.4. Previous public sector support to Merseyside: the national and local contribution and recent developments

The Objective 1 programme of Structural Fund assistance needs to be seen against the background of previous and current public sector support to Merseyside.

A key factor in this is the overall context of economic developments in the region as a whole. Merseyside was renowned for its traditional heavy industries — shipbuilding, docks, vehicle manufacture and coal mining. As with other similar regions of the UK it has suffered from the decline of these industries which were employers of thousands of people.

This industrial decline has affected the region for decades, and as a consequence, Merseyside has a long history of public sector support for economic regeneration. Substantial amounts of public money have been spent on various initiatives over the years. The region has achieved many notable successes as a result, for example the Albert Dock development and the International Garden Festival.

Although the region has yet to fully compensate for the economic changes which it has experienced, it has a range of initiatives on which to build, within a framework that will increasingly ensure that they act in a coherent and coordinated fashion. The process is a long term one.

Some examples of previous or long-standing initiatives are:

- The Development Area status of Merseyside: this enables the highest levels of assistance available in England to be given for industrial development and expansion in the area. It is

an important factor in attracting inward investment. Regional assistance and support for industry from the DTI is demand-led, but was approximately ECU 16 million in 1992-93.

- Special programmes of support for regeneration have been available to authorities over many years providing assistance for tackling urban decay and dereliction. The urban programme, which has provided 75% grant assistance to local authorities to strengthen and revive local economies, foster enterprise, tackle the environment of run down areas and the underlying social problems, is declining. Resources for the five Merseyside authorities have decreased from UKL 27.7 million (ECU 37 million) in 1992/93 to UKL 18.5 million (ECU 24.7 million) in 1993/94 and UKL 9.5 million in 1994/95. The urban programme forms part of the resources within the single regeneration budget. The urban partnership fund was a one year only (1993/94) initiative, which supported projects on which local authorities were using their own capital receipts. Resources of UKL 2.45 million (ECU 3.28 million) were utilized for five projects. A derelict land grant is available to local authorities and the private sector to assist in bringing land back into beneficial use. Resources available in 1992/93 were UKL 5.6 million (ECU 7.6 million). The city grant provides grants to private sector firms supporting commercial and industrial renewal to enable projects to become economically viable. In 1992/93, UKL 11.5 million (ECU 15.4 million) was approved in grants. English Estates provides industrial property on market terms for small firms. Approximately UKL 6 million was expended in 1992/93 on projects in Merseyside. The delivery mechanism and expenditure on derelict land grant, city grant and English Estates is changing with the setting-up of English Partnerships referred to below.

- The local authorities, who have their own budgets for activities directly related to economic and social regeneration, are benefiting from considerable government financial support through a variety of programmes.

- The Merseyside Development Corporation, led by a private sector board, which has provided support for a number of years for a range of regeneration projects in tightly drawn geographical areas along the Liverpool waterfront and in Birkenhead and New Brighton. Its expenditure was some ECU 48 million in 1992-93, to which ECU 7 million of ERDF was added, but its functions are being progressively reduced over the next few years.

Recent years have witnessed moves towards a coordinated and more private sector oriented approach:

- Training and enterprise councils (TECs) which are private sector organizations with boards drawn from the local business community to provide a clear business focus to the provision of training and enterprise support. TECs have considerable freedom to tailor programmes to meet local needs and develop local solutions to local problems. They have already made much progress in the three years since they were established, including significant improvements in the outputs and value for money from the main training programmes. Total TEC expenditure on training education and enterprise support including an ESF contribution was over ECU 90 million in 1993-94.

- The city challenge initiatives in Liverpool, Wirral and Bootle, which have gained access to support for regeneration projects in competition with other areas and are already demonstrating what can be achieved through public/private partnerships in targeted areas. Average annual expenditure of ECU 30 million over the five years to 1997-98 is foreseen.

A small number of new initiatives are now bringing together a range of support measures to build on the approach as follows:

- In the case of business support, there has been a view expressed that the multiplicity of schemes, operated through many different agencies has led to a situation that could be described as a 'crowded platform' of design and delivery. This view led to the 'business link' initiative, which will streamline the provision of local business support and advice tailored to

local needs. Business link involves as facilitators the TECs, alongside chambers of commerce, enterprise agencies and local authorities.

- More than 20 separate spending programmes are soon to be brought together in a combined allocation to Merseyside through the single regeneration budget. This is aimed at encouraging economic regeneration initiatives prepared by public/private sector partnerships. The budget will be administered locally and could provide an important source of matching funding for Structural Fund grants.
- A new agency — English Partnerships — will bring derelict land grant and city grant assistance together with the activities of the former English Estates to forge partnerships with the private sector and take forward strategic site developments; the EP board is led by and includes a majority of representatives from the private sector.
- Finally, the main government departments concerned with economic regeneration — the Department of the Environment, the Training, Enterprise and Education Directorate of the Department of Employment, the Department of Trade and Industry and the Department of Transport — are being integrated to form the Government Office for Merseyside. This will bring about greater coherence and synergy in the activities of government.

The mission statement for the Government Office for Merseyside is as follows:

'The Government Office for Merseyside, in partnership with local people, and organizations, will ensure that the government's policies and resources make the best possible contribution to competitiveness, prosperity and the quality of life in the region.'

1.5. Previous public sector support to Merseyside: the European Community contribution and Objective 1

The European Community contribution

Since 1989, the European Community has provided a financial contribution to the initiatives of its partners on Merseyside through regional development programmes supported by the ERDF and the ESF. Latterly, some of these have involved support for a number of the initiatives referred to above. The first phase of support, through Objective 2 of the Structural Funds, was for the three-year period 1989-91. This was followed by a two-year phase in 1992-93.

The total financial contribution from Objective 2 for the 1989-91 phase amounted to just under ECU 100 million, in today's prices — an average of a little over ECU 30 million a year.

In the 1992-93 phase, total support from the Structural Funds increased to about ECU 130 million, in today's prices. This amounted to ECU 65 million a year, almost double the level of support in the 1989-91 phase. This allocation includes the contributions from the special Renaval initiative for Sefton/Wirral, set up by the European Community to take account of the needs of areas affected by shipyard closures, and the Rechar initiative for coal-closure areas, which benefited St Helens and Knowsley.

The Structural Funds have also contributed to Merseyside through their other Objectives: through Objectives 3 and 4, the ESF is estimated to have contributed about ECU 20 million a year for Merseyside training and employment support measures targeted on young people and the long-term unemployed. The EAGGF has provided support under Objective 5a for structural improvement in farming and in the food processing and marketing sector, at something less than ECU 50 000 a year in the recent past.

So the latest phase of support through Objective 1 comes on top of a whole history of regional development initiatives, both national and local. Some of these have received support from the Structural Funds, some have proceeded effectively without it. In designing effective measures in the Objective 1 programmes, it will obviously be important to recognize and learn from the lessons of the past

Evaluation results from previous initiatives

As Objective 1 status for Merseyside is new, there is no directly comparable information on the impact of Structural Fund assistance across Merseyside as a whole. However, evaluations have been carried out on the impact of Objective 2 resources and of the Objective 3 and 4 measures for programmes other than those of central government. Evaluation of government programmes funded through Objectives 3 and 4 is available at national level. The overall impact of grant programmes delivered through TECs is also available at TEC level.

As far as Objective 2 is concerned, among the key points are:

- Progress towards reaching the objectives of the programmes was made, but future programmes would benefit from a more rigorous setting of quantified targets and aims.
- There is a need for further provision of industrial sites and premises in order to lever in more private sector investment. The cost-effectiveness of this type of measure was high, and significant resources should be devoted to it.
- The short to medium term employment effects claimed for transport infrastructure were considered to be overstated. Total returns from these major infrastructure projects would only be able to be assessed after a fairly long period. There was considerable scope for further investment in public transport and ports infrastructure.
- Investment in tourism was considered to have considerable scope for expansion with a need to build towards a critical mass in the region. Further investment however, would need to be balanced by a properly demonstrated flow of benefits.
- The business support priority appeared not to have met the targets set, which the consultants considered over-optimistic. A greater degree of precision in setting targets was recommended.
- The priority supporting research and development and vocational training had met the targets set for it.
- There was a need to adopt a more targeted approach to projects under the image and environment priority.
- Transparent and objective project selection criteria had been developed under the 1992-93 phase of Objective 2, but further work would be desirable.

As far as training and employment support measures are concerned, among the key points emerging from results of Objective 2, and Objective 3 and 4 measures other than those of the central government are:

- The results for Objective 2 measures in 1992 show that 50% of those completing training went into employment, and 15% into further education or training — roughly comparable with the situation in other Objective 2 areas. Those completing courses on Merseyside achieved, on average, a higher level of qualification than in other Objective 2 areas.
- For Objective 3, 48% of those completing courses going into employment compares well with the national average of 28%. For Objective 4, the proportions going into employment

are 40% on Merseyside, compared with 35% nationally. Proportions going into unemployment on Merseyside are lower for both Objectives than the national average. The level of qualifications on Merseyside obtained by those completing courses was also better than the national average. This suggests that training programmes have been relatively successful in the Merseyside area.

- A view has been expressed that the extra benefits to Merseyside from ESF support for national training schemes supported through Objectives 2, 3 and 4 have not been fully transparent.
- There is scope for more targeting of resources on priority groups, and on new technology courses. More generally, training activity needs to be more targeted to further improve the outputs it produces.
- At the employer level, there are gaps in provision, particularly amongst SMEs.
- Exam attainment of 16-year-olds lags behind the national average, with problems of illiteracy and innumeracy reported in the post-compulsory school-leaver group.
- Participation rates in post-compulsory education generally lag behind the national average.

Implications for the Objective 1 programme

The key lessons from the past that are relevant to the design and balance of measures to be supported through Objective 1 include the following:

- There should be a significant increase in support for the provision of industrial sites and premises; the design of this measure should be more closely linked to the needs of businesses.
- The emphasis of transport provision should be shifted away from car use towards public transport, the port and the airport; expenditure on transport generally should have a direct link to the needs of businesses.
- Tourism-related projects should have increased support, but combined with better appraisal of benefits for the local economy.
- ESF support should be more concentrated on schemes targeted on specific problems: in particular, ESF should address both the needs of businesses and the needs of priority groups, and these within the most deprived communities.
- The human resource components of the Objective 1 programme should be given sufficient status, with programme management having access to sufficient expertise in the field.
- Quantified targets for Structural Fund support should be set, more rigorously where possible.
- Progress on project selection should be built upon further.
- Support for business development measures should be increased. These tend to provide good value-for-money in creating jobs provided they are set in a strategic, properly coordinated context.
- Image and environment schemes should be packaged more, and targeted more clearly on areas of greatest need: a framework which allows for isolated projects to be financed throughout the region is unlikely to provide value-for-money.

- Structural Fund action should be targeted more to lever in and stimulate more private sector investment; there needs to be greater involvement of the private sector in the planning, design, delivery and monitoring of Structural Fund support.

The Objective 1 programme does not represent 'more of the same'. It aims to build upon the progress that has been made in developing new initiatives nationally and locally. It tries to take account of the lessons from evaluations of previous Structural Fund support. It seeks, through partnership, to develop links with the private sector, and concentrates support on key 'drivers for change' on Merseyside in order to maximize the total package of investment flowing from the programme.

These 'drivers for change' are outlined in the next chapter, which describes the structure and content of the Objective 1 programme.

1.6. A summary prior appraisal of the Objective 1 programme, and quantified objectives for Structural Fund support

The fundamental principles of the Structural Funds

The legal framework that governs the way the Structural Funds operate is laid down in a set of Regulations. These Regulations are decided by the Member States of the European Community, acting on the basis of proposals from the European Commission.

They were first approved in 1988, and form the basis on which all Structural Fund operations were carried out in the 1989-93 period.

The Regulations were revised by the Council in July 1993. The revisions are important, but relatively detailed. They do not change the fundamental basis on which the Funds operate.

The guiding principles of the Funds, established in 1988 are:

- concentration;
- programming;
- partnership;
- additionality.

These guiding principles were reaffirmed by Member States at the European Council in Edinburgh on 12 December 1992, and repeated at the European Council in Copenhagen on 21 to 22 June 1993.

They underlie the Merseyside Objective 1 programme, prepared in response to the plan presented by the United Kingdom.

The concentration principle

There are two aspects of the principle of concentration: concentration of financial support on the regions of greatest need — geographical concentration; concentration of financial support on activities which produce the maximum impact for the resources deployed.

Geographical concentration has two dimensions:

- within the European Community as a whole, concentration of support on the Objective 1 regions; Merseyside will benefit from this in the form of an increase in the amount of Structural Fund resources coming into the region;
- within Merseyside: economic and social disparities exist not just between the Objective 1 regions and the rest of the Community, but also within the Objective 1 regions; this is true of Merseyside, where disparities of need between different parts of the region are very marked.

The measures in the Merseyside programme try to address the problem of disparities within Merseyside by designing comprehensive packages of economic and social support for specified communities where problems are at their most severe. In doing so, it will be important to tackle both needs and opportunities. Concentration can be achieved through packaging and targeting in this way.

Achieving the second form of concentration — choosing measures with maximum impact — is developed in greater detail later.

However, the general principles are:

- **selectivity:** wanting to cover every possibility of financing with the Structural Funds leads to dispersion rather than concentration of resources; effectiveness requires selection of a limited number of priorities;
- **targeting:** within those priorities, concentration also requires targeting of Structural Fund resources on specific types of action;
- **visibility:** the more visible Structural Fund action is, the greater impact it is likely to have.

The programming principle

The Structural Funds have been operating successfully through programmes for many years.

Experience gained in that time suggests that programming needs to evolve further in the following directions:

- **a strategic approach:** the priorities for Structural Fund action should be chosen so as to contribute to well-defined strategic objectives. These objectives need to address a specific socioeconomic problem or opportunity, rather than a particular type of public expenditure category;
- **an integrated approach:** the Objective 1 programme has four Structural Funds contributing to it, as well as possibilities for loan support through the various Community financial instruments. To the extent that the Funds and instruments work closer together, in a fully integrated way, and back each other up through synergy, the effectiveness of Structural Fund activity will be increased;
- **a coherent approach:** it is important to ensure that the individual measures that make up a part of a programme — from whatever Fund — combine together in a coherent way to address the particular strategic socioeconomic objective chosen. Synergy involves not only the Funds working together, but also the degree to which measures reinforce and complement each other.

Additional impact

Without achieving a clear additional impact on the economic and social development of Merseyside, the contribution of the Funds will lose effectiveness and risks being wasted. Absorption of the Funds into existing expenditure programmes without a demonstration of benefits does not represent good value-for-money.

The additional impact of the Funds has three dimensions:

- at the level of overall public expenditure provision: the exercise of verification of additionality will be carried out in accordance with Article 9 of Council Regulation No 2082/93; the results of a first assessment are shown in Chapter 4;
- prior appraisal and quantification of objectives: for the Funds to make a real difference to the economic and social development of Merseyside, they have to succeed in raising the current baseline of activity in the region; the baseline and the objectives for raising it need to be quantified and costed, to make sure that the benefits of Structural Fund support are commensurate with the resources deployed;
- selection of projects: the contribution of the Funds to individual projects or schemes needs to be selected according to criteria which deliver economic additionality and value-for-money; the more the contribution of the Funds is additional, the more they succeed in stimulating additional activity at minimum cost, the better the value of their support.

Partnership

The management of the Structural Funds is based on a regional partnership system that works well.

It involves the principal partners responsible for the Funds — the Commission, Member States, local and regional authorities, organisations involved in training and regional and local development, the community and voluntary sector and others with an interest in regional economic and social development.

Prior appraisal, and the new requirements of the Structural Fund Regulations

In agreeing revised Structural Fund regulations in July 1993, the Member States put a special emphasis on prior appraisal.

In practical terms, this means that the Commission may only provide financial assistance from the Structural Funds to regional development programmes where prior appraisal has provided a justification in terms of cost-effectiveness and value-for-money. As stated in Article 26 of Council Regulation (EEC) No 2082/93:

'Assistance will be allocated where appraisal shows medium-term economic and social benefits commensurate with the resources deployed.'

In terms of this requirement, the expected benefits of Structural Fund support need to be demonstrated, and related to the level of financial support sought.

Quantification of objectives

In carrying out prior appraisal it is necessary to identify objectives and to quantify them. But quantification of objectives must be set in its proper context. The Structural Funds do not act in isolation of other public sector initiatives on Merseyside, but complement them by providing support in the form of cofinancing.

What needs to be quantified, therefore, is the impact of Structural Fund support on Merseyside, the extent to which the Structural Funds are expected to add to the expenditure and outputs of other relevant public initiatives. For example:

- How much will the baseline of existing support be raised by Structural Fund activity?
- How much more will be achieved as a result?
- What will it cost to achieve this?

The programme specifies objectives for GDP and jobs at programme level based on the forecasts prepared by Cambridge econometrics. Quantified targets are also given for key indicators and outputs at priority level. For illustrative purposes key targets are also expressed at measure level for the outputs of the larger measures.

These output figures are based on data obtained from previous programmes of Structural Fund assistance on Merseyside. They have been informed by both the results of regional evaluations and by the expertise of local partners, in particular where previous programmes offered little precedent for actions proposed under Objective 1.

In addition to monitoring progress towards these targets the Programme Monitoring Committee will also monitor other key indicators which cannot be reliably quantified at this stage due to a lack of reliable data on which to base such predictions.

The impact of the Objective 1 programme on Merseyside

The financial package of the Merseyside Objective 1 programme is made up of three elements: ECU 816 million will be allocated to the region from the European Structural Funds; another ECU 816 million from the UK public sector (central and local government) and a further sum from investments in the programme by the private sector. The private sector input into the programme is currently estimated at about ECU 368 million which gives a total financial package of ECU 2 000 million.

The desired impact of the programme is to break the cycle of slow growth and even stagnation that has affected the region. Fifteen years ago the Merseyside region was as prosperous as the Community average: now GDP per head is only about 75% of the average.

To reduce or close the economic gap completely would require:

- (i) growth in GDP of about 5% above the EC average for each of the next five years;
- (ii) growth in employment of 8 400 jobs each year for the next five years.

Given historical trends, it is unrealistic to expect Merseyside to close this gap in six years. The process will take longer.

Assessing how the Merseyside economy might perform relative to the European average over the next few years is difficult. It depends, among other things, on Merseyside's performance as part of the North West region as a whole, on the overall performance of the United Kingdom economy, and the overall performance of the economies of the European Union.

Taking the forecast by Cambridge econometrics as a guide, without the Objective 1 programme, Merseyside's GDP per capita relative to that of the EU is forecast to stabilize at around its 1992 level.

Merseyside's employment record is even worse than on GDP. The unemployment figures do not show the full extent of job losses because of the large number of people who are forced to leave the region to find work.

Over the past 13 years the Merseyside economy lost almost 80 000 jobs — falling from 603 700 in 1981 to 524 000 jobs now. The rate of job loss has been 6 000 a year. There are now signs that the economy is beginning to turn and the process will be accelerated as a result of Objective 1 funding.

Cambridge econometrics are forecasting that, with Objective 1 support, there will be a net increase of over 25 000 jobs in Merseyside by 1999. This figure reflects the impact of EC support not just in terms of creating new employment opportunities but also in protecting existing jobs.

To sum up, forecasts based on experience with past development programmes on Merseyside point to the following conclusions:

- Without Objective 1, Merseyside's economy may begin to grow in line with the North West region, and indeed the UK as a whole. If so, by 1999 Merseyside's economy could be some 12% larger than it is now. This underlying move to growth would provide a better foundation for a development programme such as the Objective 1 programme than at any time in the last 10 years.
- The Objective 1 programme could add a further 3% to Merseyside's economy by 1999. On top of the 12%, Objective 1 will therefore boost the Merseyside growth rate by a quarter.

By 1999, the prospect is therefore that there will have been a fundamental change in the area's fortunes with — for the first time in over half a century — sustained employment growth. Objective 1 will also help private firms invest more in the region. This effect is more difficult to forecast and quantify. The ECU 368 million of private investments in the programme is conservative in relation to Objective 1 programmes in other Member States and it could well be exceeded. Further investment to the region should be attracted outside the programme and this could reach as high as ECU 1.2 to 1.8 billion of private sector investment.

1.7. The regional development plan

The regional development plan submitted by the United Kingdom for Merseyside was assessed by the Commission services and the subject of a prior appraisal undertaken by external consultants. The plan set out clearly the very real economic and social problems of Merseyside.

The overall vision of the plan is to establish Merseyside as a prosperous European city region with a diverse economic base, which provides access to employment for all sections within the local community, which develops its people, their skills, talents and well-being, and emphasizes its role as a gateway between Europe and the rest of the world, establishes it as a region of learning, arts and cultural excellence and innovation, and establishes it as a region of environmental excellence that supports a high quality of life.

The present programme introduces certain changes of emphasis in comparison with previous European Structural Fund assistance to Merseyside. These include increased funds for business competitiveness, especially for small and medium-sized enterprises, and for

research and new technology. In addition, there is a greater emphasis on sustainable development, on urban transport targeted on the most disadvantaged communities, and on special training for people in these communities through a series of actions entitled 'pathways to integration'.

Chapter 2

The regional development strategy for Merseyside and Structural Fund priorities for the next six years

2.1. The vision and strategic objectives: the 'drivers for change' on Merseyside

The vision

The vision of the Objective 1 programme is to establish Merseyside as a prosperous European city region with a diverse economic base, which provides access to employment for all sections within the local community, which develops its people, their skills, talents and well-being, and emphasizes its role as a gateway between Europe and the rest of the world, establishes it as a region of learning, arts and cultural excellence and innovation, and establishes it as a region of environmental excellence that supports a high quality of life.

The strategic objectives

This vision is to be achieved through seven strategic objectives for Structural Fund action:

- investing in industry — through two main routes: sustaining and developing existing manufacturing industry by assisting investment in the key corporate sector, including help with providing a more attractive location for business investment; and helping small and medium-sized enterprises to grow, improve self-reliance and market orientation;
- investing in people: to increase employment opportunities throughout the region, stimulate enterprise and upgrade skills;
- enhancing technology, improving links between research and development bodies and industry to ensure that all companies have access to scientific and technological support and that research and development projects can achieve their full commercial potential;

- increasing employment opportunities for people in the most deprived communities on Merseyside by targeting a package of support aiming to trace out 'pathways to integration';
- assisting Merseyside's role as a major gateway between Europe and the rest of the world;
- building on Merseyside's strengths in the cultural/media/tourism field, and attracting more visitors to the region;
- maintaining a high quality of life through policies favouring sustainable development.

A prime objective of the industrial support and training measures is to meet the needs of the private sector on Merseyside, and the development and delivery of the programme will take these needs into account. Many measures set out in the programme include provision for direct and indirect support to the private sector from the Structural Funds.

There is also a need to integrate the measures through the delivery of integrated projects involving several elements of the programme.

The 'drivers for change' on Merseyside

The quantified objectives indicated in Chapter 1 are ambitious. But with a sufficient degree of selectiveness and concentration on priorities, they are not impossible to achieve.

The Objective 1 programme aims to do this by concentrating on a number of key dynamic forces within Merseyside's economy and society capable of acting as 'drivers for change'.

Five key drivers have been selected, which address the strategic objectives set out for the Objective 1 programme:

- the key corporate sector enterprises in the region, including many world-class companies;
- the home-grown small business sector, including a significant number of dynamic enterprises;
- the knowledge-based industries and advanced technologies, including environmental technologies;
- the cultural, media and leisure industries, in which Merseyside has particular strengths;
- the people of Merseyside.

These drivers are detailed in the rest of this Chapter. The following sections aim to develop the strategic context within which they are defined.

Geographical targeting

A special feature of Merseyside is the very sharp degree of economic and social disparities within the region. These disparities are concentrated in well-defined localities. The effectiveness of the Funds will be increased by targeting resources selectively on areas of need, and areas of opportunity.

The selection of areas for geographical targeting will be carried out by the Monitoring Committee, on the basis of clear and transparent criteria. In the case of the ERDF, there should be a degree of concentration on areas of maximum opportunity. These are areas where the

deployment of Objective 1 resources in appropriate quantities within suitably defined geographical areas will maximize private sector leverage, job creation, environmental improvement and visibility.

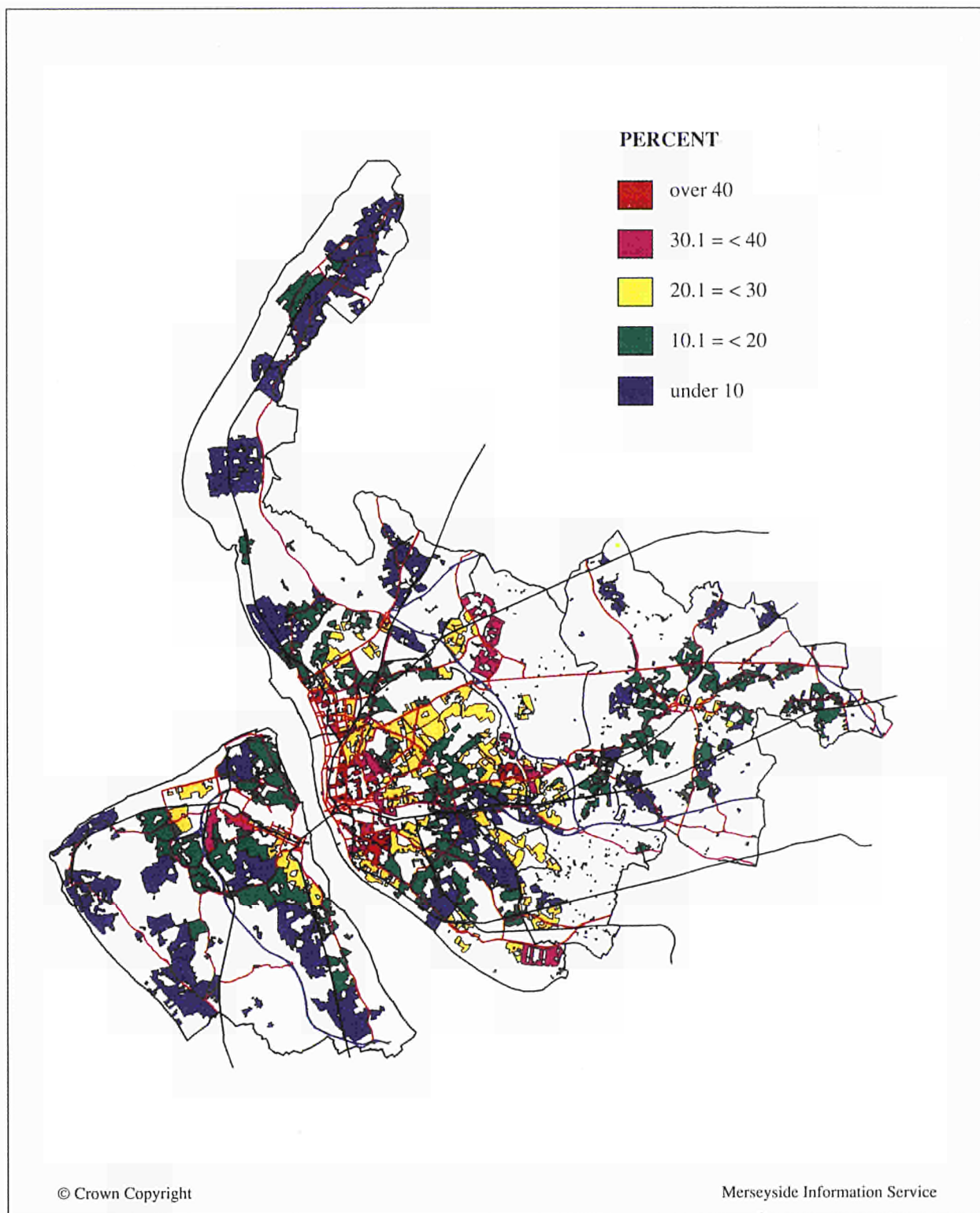
In the case of the 'pathways to integration' measure in priority 5, there shall be a focus on areas, giving particular attention to the long-term unemployed and low incomes. Such areas are likely to include the worst-affected parts shown in Map 2 below, showing areas of very high unemployment, including parts of central Liverpool, Bootle, Birkenhead, Kirkby and St Helens. The coverage of such areas defined by the Monitoring Committee should not exceed 25 to 35% of the regional population. In focusing attention on the needs of the people in those areas, particular attention will be given to the needs of priority groups defined elsewhere in this document.

The Monitoring Committee will review the criteria and selection of areas on a regular basis, to include a mid-term review. But the initial target areas will be agreed by the Committee within three months of the Commission decision.

The Monitoring Committee will encourage the maximum creation of linkages between the areas of opportunity and the areas of greatest need. By directing resources in those areas of greatest opportunity towards those people in the areas of greatest need, as well as in the priority groups, the maximum benefit from investment can be achieved.

MERSEYSIDE UNEMPLOYMENT

Census 91 Persons



2.2. A strategy for investing in industry and services on Merseyside

Introduction

The first four drivers for change together make up the industry and services strategy for the Objective 1 programme. Through them, Structural Fund support is packaged and directed towards creating the conditions under which the private sector will invest in Merseyside.

This is done by acting on the key parameters of business competitiveness — the factors influencing business costs and wealth creation, such as training and education, land and premises, innovation, finance, sourcing and delivery. Each of the drivers for change constitutes a package of measures covering these factors.

Aim and objectives

Taking the four drivers together, they must succeed in creating a diverse, self-reliant, market-oriented and export-driven local economy.

The Merseyside economy must be able to utilize new technologies and adapt to market change. There must be strong growth of new and existing small and medium-sized enterprises. Existing manufacturing industry must be sustained and developed. New industries including service industries must be attracted in. There must be high levels of domestic development and inward investment. Partnerships with Europe, particularly through the single European market and the rest of the world, must be developed.

The strategy for investing in industry and services aims to overcome four main obstacles to industrial and commercial expansion:

- (i) lack of readily available high quality sites and premises, serviced to modern standards;
- (ii) poor external perceptions, coupled with inadequate promotion of the region;
- (iii) lack of sufficient targeted support for the SME sector, including the availability of finance;
- (iv) insufficient exploitation of existing resources through networking between large and small companies and educational and research establishments, both within the region and outside.

The key corporate industrial sector

For industry and services as a whole, further investment, whether inward or indigenous, is required to stimulate increased business confidence and help create a diverse and self-sustaining economic base with a wide range of employment opportunities across the skills range, including graduate level occupation.

This can be done through a range of measures aiming to relieve the constraints identified:

- providing attractive locations for industrial investment;
- targeted action to overcome the image problem;
- stimulating the supply of investment capital, possibly by increasing the rate of public sector grant payable to new investment projects in line with other UK Objective 1 regions, should a case be made;
- increasing links between the key corporate sector and local small firms.

Other major factors which will influence future prospects will be the competitiveness and skills of local manufacturing industry and services.

The quality of workforce and management, and the relevance of their skills to market needs will be determining factors.

Particularly important will be the ability of the local manufacturing and services industry to export and build up local customer/supplier networks.

In general the input from the private sector will be crucial in the implementation of the measures in the industry and services programme.

SME measures

There is also a need to streamline and simplify the delivery mechanisms for SME support in order to avoid duplication of provision and confusion for the customer.

SME support should be designed to meet local needs and should be readily accessible at the local level. The government is encouraging training and enterprise councils, chambers of commerce, enterprise agencies and local authorities to come forward with proposals for centres which will deliver the range of business support services previously provided separately by each of these agencies, thus ending the confusion about which body to approach faced by people who seek business information and advice.

Services are to be of very high quality and offered under the label 'business link'. Each business link will have a number of personal business advisers who are expert in understanding business problems, who know what support services are available, and can assemble a package of help which meets the needs of each particular customer.

Support for the development of community businesses also needs to be encouraged as a way of decreasing economic and social disparities within the region.

The farming and fishing industries

Merseyside is a heavily industrialized and urbanized region. The overwhelming majority of the population live and work in urban areas. However, rural areas of the region provide valuable environmental, leisure and tourism resources which are at present under-exploited. In addition, specific measures are provided for in this programme for direct support for the farming and food-processing industries.

As far as the fishing industry is concerned, the sector employs only 120 people directly, mainly for shrimp, through inshore boats working from Birkenhead, Hoylake and Southport. EC traders land fish in Merseyside ports of up to UKL 6 million in value before processing. Port facilities and access to good transport routes are important to the industry. There are at present no measures foreseen for support by the FIG through the Objective 1 programme, but there may be opportunities for development of processing shrimp and expansion of existing facilities for processing demersal species. Establishment of port facilities for fishing may also present opportunities, where consistent with the common fisheries policy.

New technologies

There is a crucial need to secure investment in new and growing sectors of the economy such as technologically-based industries including telecommunications, environmental services and the health science sector.

There must also be more encouragement for innovation, technology transfer, and research and development especially on a collaborative basis.

It will be particularly important for firms in the industrial sector to work together, both with each other and with educational and research bodies inside and outside the region, to understand each other's needs and promote collaborative research and development and commercial development of results of research.

The cultural/media sector

The region has a vibrant arts and cultural industry sector of international standing — together with tourism it sustained 39 000 employees in 1991.

The central area of Liverpool now houses a number of major cultural institutions including the Tate Gallery, the National Museums and Galleries on Merseyside, St George's Hall, the Playhouse, Royal Court, Empire and Everyman Theatres, the Philharmonic Hall and the Bluecoat Arts Centre. The theatres have hosted a number of premiers by resident playwrights Willy Russell and Alan Bleasdale.

In film and television, Merseyside has become an established area for location shooting and a number of companies and agencies have grown up as a result. Merseyside TV has achieved acknowledged success in long running TV series.

There are also a number of small successful multi-media and graphic companies.

The legacy of the Beatles has extended beyond tourism into the Liverpool Institute of Performing Arts (LIPA) which will enable gifted students to train in all aspects of popular music and performance and will reinforce Liverpool's standing as a world centre of music and popular culture. LIPA is being sponsored by Paul McCartney and assisted through the 1992-93 Structural Fund programme.

Tourism is a growing industry on Merseyside. In 1985 there were around 20 million visitors spending an estimated UKL 223 million; by 1991 this had increased to some 30 million visitors spending an estimated UKL 335 million. Tourism and arts and cultural industries are major employers. They depend on, and contribute to, positive perceptions of Merseyside both within the area and in the world outside.

Merseyside has further potential to develop a dynamic and diverse tourist industry. The region possesses some outstanding urban, coastal and rural environments with a rich built and natural heritage. It is also well placed to act as a base for touring destinations nearby, such as Snowdonia and North Wales and the Lake and Peak Districts.

The main focus for tourism is Liverpool with a national and international reputation associated with maritime history and to be seen on both sides of the River Mersey. Liverpool has an outstanding architectural heritage and a first class performing arts sector, with a world class orchestra and chorus and three major theatres. Art galleries such as the Walker and the Tate house collections of international importance, as do the museums — particularly those run by the National Museums and Galleries on Merseyside incorporating the William Brown Street complex, the Lady Lever Gallery in Port Sunlight and the Maritime Museum within the Albert Dock complex. There are rich and diverse cultural industries. Liverpool is also known widely for its popular culture (not least the Beatles), and runs a number of successful activities and events such as the Festival of Comedy. The Region also has a very strong sporting tradition with 3 leading football clubs, and two famous racecourses, including Aintree — the home of the Grand National.

Each of the surrounding districts has existing or potential attractions for visitors. These include the Sefton and Wirral coastlines, which contain protected wildlife habitats of international importance. The Victorian seaside resorts of Southport and New Brighton are also a major tourism and leisure asset for the region as well as fine countryside.

2.3. A strategy for investing in the people of Merseyside

Introduction

The most important driver for change is the people of Merseyside.

For three decades, there has been massive emigration from the region, amounting to 20% of the population. This has been accompanied by very high, and indeed rising, unemployment.

In spite of this adversity, the people of Merseyside retain an attachment and pride in their region. Much of the dynamism that remains within the regional economy and its businesses comes directly from the engagement and commitment of its people.

The Objective 1 programme has, first and foremost, to harness the dynamism of the people of Merseyside. The resources of the people of the region need to be used as the key driver for change in the programme. The European Social Fund has the key role to play in making a success of this driver for change. It will be supported by the European Regional Development Fund.

The Structural Funds, national and local authorities and the private sector, together in partnership, will give first priority through Objective 1 to investing in the people of Merseyside.

It is often thought that investing in people is a 'social' rather than an 'economic' activity.

In the Commission White Paper 'Growth, competitiveness, employment', endorsed by the Council, the link between investing in people and the competitiveness of the economy is clearly established. The quality of education and training is recognized in the White Paper as a key factor in the competitiveness of the economy.

What the Merseyside Objective 1 programme aims to do is to improve this quality by investing in the demand-side as well as the supply-side of the education and training system, and indeed for the regional economy as a whole. In order to achieve maximum additional impact on Merseyside, the Structural Funds will concentrate their investments in people on a limited number of well-defined priorities. This is designed to deliver an improvement in the efficiency and effectiveness of the education and training systems.

Overall aim and strategy

The aim of the human resource strategy outlined in the plan is to increase individual and regional prosperity by stimulating enterprise and developing excellent skills.

With this in mind, three basic priorities are proposed for the strategy for investing in the people of Merseyside:

- investing in young people, the long-term unemployed and those facing exclusion from the labour market by concentrating resources to make sure that there are sufficient good-quality schemes available; special effort will be concentrated on regenerating communities in areas of very high disadvantage;
- investing in a more systematic approach to continuing training by developing the skills of the existing and future workforce, and improving training structures within companies: this will help to establish direct links with business needs on the demand-side;
- investing in improving the quality and access to education and training, science and technology, so that the supply-side becomes more efficient; this includes accompanying measures for equal opportunities.

These priorities will be supported by the European Social Fund, with complementary action from the European Regional Development Fund.

They are delivered through a range of measures set out in the sections on the various priorities later in this document, and where appropriate will improve access to education and training for young people who need it which underlies the Commission's Youthstart proposals in their White Paper on growth, competitiveness and employment.

However, it is not sufficient to invest in the demand-side and supply-side separately.

Separating the two has the danger of divorcing business needs from the needs of young people and the long-term unemployed. It could lead to a policy exclusively of 'training for stock', and indeed accelerate emigration without responding to the needs of business on Merseyside.

Pathways to integration

The Objective 1 programme combines demand and supply elements in a targeted measure entitled 'pathways to integration'.

'Pathways to integration', which will be supported by the European Social Fund, and complemented by the European Regional Development Fund, aims to trace out a route for those at risk of exclusion from the labour market right through to employment. It consists of a series of steps, beginning from school or unemployment, through basic skills, guidance and counselling, to vocational training, and ultimately to employment.

'Pathways to integration' is therefore not a social measure. It acts directly on the growth and competitiveness of the Merseyside economy by seeking to reduce the sharp economic and social disparities within the region.

Such disparities have the effect of limiting the performance of the Merseyside economy. By targeting a certain proportion of Structural Fund support on reducing these problems, the economic growth rate of Merseyside as a whole can be increased.

The 'pathways to integration' are designed to do this. If successful, they will reduce the concentrations of people at risk of exclusion and bring them into employment. In doing so, they act directly on the growth and competitiveness of the regional economy.

Training infrastructure

Merseyside has a strong vocational education and training infrastructure based on: three training and enterprise councils (TECs); three higher education institutions; nine colleges in the further education sector; private sector training providers; voluntary sector training providers; industry training organizations, the employment service, local authorities and school sixth forms.

Quantified objectives of ESF support

The national training and education targets, set by the Confederation of British Industry and endorsed by the government, quantify the improvement in skills necessary if the United Kingdom is to continue to compete effectively. Local targets have been set for each TEC area within Merseyside through strategic forums involving key players, which quantify the progress expected locally.

Below are an indicative set of targets for the year 2000 for Merseyside as a whole. These take into account the expected results of Objective 1 support. They need to be refined over the coming months to ensure that they are realistic. This process will need to involve the

existing strategic forums. As a result of ESF support through Objective 1, more demanding targets have been set, as shown in the table.

Merseyside Objective 1 programme: ESF targets

Objective	Current Merseyside baseline	Indicative targets for 2000	Likely target without Objective 1	Priorities which are relevant
Young people to reach NVQ ¹ II, or equivalent	51%	80%	72%	1 to 5
Young people to reach NVQ III, or equivalent	27.8%	50%	43%	1 to 5
Education and training provision to develop self-reliance, flexibility and breadth				5
Employees taking part in training or development activities	13.6%	20%	16.5%	1 to 5
Economically active with at least NVQ III (or equivalent)	42.6%	50%	45%	1 to 5
Medium to larger organizations with 'Investors in people' status	11	111	89	1
Small companies with 'Investors in people' status	22	567	435	2 to 4
Long-term unemployed people who achieve positive outcomes (jobs, qualifications, further training) as a result of ESF support		) ) ) ) )		1 to 5
Young people who achieve positive outcomes (jobs, qualifications, further training) as a result of ESF support		) ) 67 600))		1 to 5
People from excluded groups who achieve positive outcomes (jobs, qualifications, further training) as a result of ESF support		) ) ) ) )		5

¹ National Vocational Qualification.

The performance of the strategy — how effective it has been — will be measured in relation to these targets, and by its impact on the development of an appropriately skilled and motivated workforce which will not only increase competitiveness but will act as an incentive for job creation by providing at least one of the conditions necessary to attract and stimulate investment on Merseyside.

Priority groups

ESF intervention will help achieve the human resource strategy for Merseyside by assisting:

- People who are out of work or at a disadvantage in the labour market to acquire and maintain relevant skills and obtain appropriate support to enable them to compete for employment or self-employment, and to contribute more effectively to the economy.
- Young people to gain the skills and enterprising attitudes needed for entry to the workforce and to prepare them to realize their full potential throughout working life, and in particular to progress to higher level qualifications if they are able.

- Employers (especially small and medium-sized companies), the self-employed, and individual people in the workforce to invest effectively in the skills needed for business creation and growth, and for individual success.
- The market for vocational education and training to work better so that it responds to changing needs of employers and individuals quickly and efficiently.

Priorities and measures for ESF support

Central to the achievement of these aims and the strategy is an approach which ensures a closer match between supply and demand and improves the functioning of the labour market. Training for stock should be avoided and account taken not only of the specific skill requirements of business but also of the longer-term career development aspirations of the existing and potential workforce which have an important role to play in determining the future competitiveness of the Merseyside economy.

This will require effective and efficient mechanisms:

- for identifying areas of employment growth, skill gaps and shortages and vocational training requirements for the short and medium to long term;
- for ensuring the dissemination of this information to companies and training/education providers.

A mechanism is proposed with the task of coordinating this type of activity and helping the Monitoring Committee to ensure the quality and relevance of training/education provision. The full involvement of all relevant actors will be crucial in its success. The composition and terms of reference of the group, including its ability to co-opt as appropriate, will be determined by the Monitoring Committee within three months of the Commission decision.

Each measure covered by this strategy will contribute to the overall objective of stimulating enterprise and developing excellent skills.

Specific training responding to particular sectoral requirements will be delivered as part of business development packages under priorities 1 to 4, while targeted career development training in identified areas of employment growth, skill gaps and skill shortages linked to the broader needs of the labour market will be carried out under priority 5. Measures to regenerate disadvantaged communities, to promote equal opportunities, to integrate those facing exclusion from the labour market and to improve education and training employment services will also be done under priority 5.

The coordinating mechanism proposed in priority 5 will ensure that the different types of training and other measures are carried out in parallel in a complementary way avoiding duplication.

Within the programme, certain areas of training may be covered under more than one priority on the basis that within a particular area of training, different aspects may need specific treatment. Within the field of apprenticeships, for example, it may be appropriate to link particular apprenticeship schemes for SMEs with other measures targeted on SME development. Equally, specific apprenticeship schemes for women should be linked to action to promote equal opportunities whilst more general apprenticeship schemes for young people should be linked to career development actions related to the broader needs of the labour market.

Equal opportunities and care for dependants

It is important to recognize the vital and growing contribution of women to the labour force. However, women are under-represented in certain sectors of the economy and in senior positions across the economy as a whole; and women face discrimination in the labour force. The promotion of equal opportunities for men and women is central to a successful human resource strategy.

Under priority 5, there is a specially targeted measure which provides support for a number of accompanying actions to assist the objective of promoting equal opportunities. This measure is by no means a reflection of the priority accorded to equal opportunities within the programme as a whole. It consists of a limited number of structural actions designed to complement and reinforce the equal opportunities aspects of other measures, which have an impact throughout the programme.

Increased economic activity rates for women together with general ageing of the population will increase demand for care facilities and in particular childcare. The importance of good quality care for dependants to enable attendance at appropriate employment and training courses is recognized and assistance towards the cost of such care will be eligible for funding as a measure accompanying equal opportunities.

2.4. Sustainable development on Merseyside: an environmental profile of the region

Introduction

This environmental profile for Merseyside is set out in accordance with the Regulations, covering the following three elements:

- the current environmental situation;
- the estimated impact of future development on key variables;
- the legal and administrative framework relating to the environment.

The first two of these issues are presented for each of the following seven key environmental themes:

- the built environment and derelict land;
- the natural environment;
- water;
- waste;
- energy;
- noise;
- air quality.

Some of these areas are covered by measures to be financed by the Structural Funds in the Objective 1 programme. Others are not, but are affected by developments to go ahead

without Structural Fund support. The overall environmental impact is indicated either qualitatively or, where possible, quantitatively.

The built environment and derelict land

Current situation

Merseyside is a heavily industrialized and urbanized area with a high density of population (2 235 per km²). The built environment is central to the quality of life and environment that the region offers.

The region underwent early industrialization and urbanization. Many of the current environmental problems arise from this early period and from the overall economic decline described in Chapter 1. These problems include:

- Industrial dereliction: 2.24% of the surface area is derelict, compared with 0.66% in the North West, 0.24% in the UK as a whole. Derelict land totals almost 1 700 hectares. Some of this land is severely contaminated by previous uses, although in some cases the presence and extent of this is not known. There are concentrations of derelict land in St Helens, North Liverpool and along the Mersey coast of the Wirral.
- Vacant and neglected industrial land creates blight, particularly along key transport corridors, giving a poor impression to visitors and investors.
- The poor quality of public recreational facilities in the urban cores of the regions.

The built environment also contains many fine assets and opportunities, with 5 500 listed buildings, (2 500 in Liverpool alone, more than in any other British city save London), and 98 conservation areas covering 2 000 hectares. The architectural heritage of Liverpool is outstanding, particularly along the Waterfront.

Although housing is outside the scope of Objective 1, the economic decline of Merseyside is reflected in the housing stock. There are almost 600 000 houses on Merseyside, of which 81% are in the private sector (77% nationally), and 19% socially rented from the local authority or housing associations (22% nationally). Of the local authority stock, 9% in Liverpool (5 000 units) are unfit for human habitation; 75% (42 000 units) require major work; no less than 10% (almost 6 000 units) are empty. In the private sector, 20 000 units (17% of the stock) are unfit; 47 000 (39%) need major work; 83 000 (6%) are vacant. There are substantial concentrations of poor quality private sector stock in other parts of the region, particularly St Helens and the inner area of Wirral.

Likely impact

Over the last five years, 266 ha of derelict land have been reclaimed on Merseyside using a derelict land grant budget of about UKL 8 million a year. Economic problems have added to the stock of derelict land. The major end users have been public open space, industry and housing.

The industry measures in the Objective 1 programme give preference to the reclamation of derelict sites and the upgrading of existing locations.

Altogether, the measures identified in the Objective 1 programme aim to treat a total of about 630 ha of land.

Other measures in the programme provide support for conservation and development of the historic built environment. These aim to provide a high quality of life for local residents and an attraction for visitors, including inward investors.

Outside the scope of Objective 1, but with an environmental impact are the substantial house building programmes.

Almost 50 000 new dwellings were built in the 12 years 1980-92, over 2 000 in the private sector, 11 000 by housing associations, and 8 000 by the local authorities. The government makes substantial housing resources available, for housing improvements — almost UKL 150 million in each of 1991/92 and 1992/93, and over UKL 140 million in 1993/94. There are major programmes of housing improvement carried out in conjunction with the local authorities, the Housing Corporation (which is responsible for housing associations), and the private sector, to tackle these problems. There is a special housing resource, the Merseyside special allocation, top-sliced from the Housing Corporation annual budget to support such initiatives. The government has also just set up a special statutory agency, the Housing Action Trust, which has taken over responsibility for 67 tower blocks, containing over 5 000 dwellings, from Liverpool City Council, with a view to their refurbishment or replacement. The HAT has an indicative budget of over UKL 100 million over the next 7 to 10 years.

The natural environment

Current situation

The Mersey estuary contains important areas of natural and scientific interest.

The Mersey estuary is a site of special scientific interest (SSSI) under the Wildlife and Countryside Act, 1981. It has been identified as meeting the criteria for designation as a special protection area (SPA) under the EC Directive on conservation of wild birds (79/409/EEC) and as a wetland of international importance under the Ramsar Convention on wetlands of international importance, especially for waterfowl.

The Dee estuary has also been designated as an SSSI, designated as a SPA and listed as a Ramsar site. In due course the Mersey and Dee estuaries may be designated as special areas for conservation under the European Community Directive (92/43/EEC) on the conservation of natural habitats and of wild fauna and flora. There are also SSSIs along the North Wirral and the Sefton coastline.

Merseyside has 1 677 ha (2.5% of land area) of woodland, of which 111 ha is ancient woodland. Woodlands are important both as scenic and recreational assets and for their role in absorbing atmospheric carbon dioxide. Although there are substantial resources of peat on Merseyside it is not extracted.

Merseyside has a green belt of 29 500 ha, representing 45% of its area. There is a relatively high rate of redevelopment of urban land and land changing to residential use per 100 000 population.

Likely impact

The Objective 1 programme contains measures which envisage conservation of the natural environment. These include the concept of the Community forest (interlinked areas of mixed used woodland), which is being developed with the launch of the Mersey forest. Action is also foreseen to develop key natural sites for visit and recreation in a sensitive way. These could include coastal habitats in the estuaries, where the sand and reed mud flats are important internationally for their bird populations; as well as the Sefton dunes — the finest example of a calcareous sand dune system on the north west coast of England and Wales.

SSSIs are areas of land which, in the opinion of English Nature — a non-departmental public body established by statute as the advisory body to the UK Government on nature conservation issues — represents special interest by reason of their flora, fauna, or geolo-

gical or physiographical features. The sites are mainly in the hands of private owners, but they receive protection under law. The 1981 Wildlife and Countryside Act requires any landowner in these areas to consult English Nature before carrying out potentially damaging operations. English Nature has the power, subject to certain conditions, to prevent these operations taking place. The SSSI system, through this Act, is used to implement the relevant EC directives.

Total SSSI designation in the region covers 35 000 hectares of land and water. These are shown in outline in Map 3, together with Ramsar sites, special protection areas and national nature reserves. Full maps are held by the appropriate statutory agencies, and copies will be retained by the competent authorities for purposes of the Merseyside Objective 1 programme.

Location of Ramsar sites, SPASs, SSSIs and National Nature reserves



■ Site of Special Scientific Interest

Water

Current situation

Merseyside, within the North West, relies on the supplies of pure and wholesome water from the upland reservoirs of the Lake District, North Wales and the Pennines.

However, the water resources of the region itself have been damaged by the rapid industrial growth of the 19th century. This has left a legacy of water quality problems which affect health, ecosystems and the attitudes of residents, visitors and potential investors.

At present, river and estuarine water quality is still defined in accordance with the National Water Council classification of river quality system, established in January 1977. The nomenclature used is as follows:

Rivers	Estuary	Quality
1 A/B	A	Good
2	B	Fair
3	C	Poor
4	D	Bad

Map 4 shows the very poor levels of water quality in the region. This is a reflection of the wider regional situation, with concentrations of industry upstream on the Mersey, but outside the Merseyside region itself — for example in Ellesmere Port, Wines/Runcorn, and up to Greater Manchester.

Over 80% of the 161 kilometres of the region's rivers are classed as either poor or bad. Almost 75% of the regions estuarine link is also of poor or bad quality. The region has almost 20% of the contamination waters in the North West and 6% of the priority water pollution problems, as classed by the National Rivers Authority.

The high proportion of Class 4 rivers is caused by the extensive utilization of the river network for urban and industrial waste disposal, together with run-off from intensive farming practices. These problems are to be found predominantly, although not exclusively, in the Mersey basin. The River Alt in Merseyside and the River Irk in Greater Manchester, together with associated tributaries, account for half the deterioration to Class 4 water quality since 1985. These are principally due to performance of sewerage and sewage treatment facilities.

These problems can be exacerbated locally by abstraction of water. This occurs mainly from the tidal rivers, for cooling processes in industry.

Taking the Mersey basin as a whole 33% of water courses are Class 3 (poor) and 11% are Class 4 (bad).

There are no significant issues of domestic water supply, with the water supply infrastructure well developed and virtually all premises connected to mains water. North West Water has carried out extensive monitoring to identify the most problematic areas for drinking water quality. EC standards for the quality of drinking water are met or exceeded in over 99% of all samples taken at tap.

The basic sewerage infrastructure is also well developed, with virtually all properties connected to main sewers. However, as yet there remain significant shortcomings in final connection and treatment of sewage disposal, with 10 sewage outfalls still discharging directly into the Mersey from the Liverpool bank, and three with some screening from the Wirral bank.

Only six beaches, traditionally used by large numbers of people, have been given the status of 'identified bathing waters'. Meols, New Brighton, Moreton, Formby, Ainsdale and Southport all qualify. There are periodic failures to meet the standards at Formby, Ainsdale and Southport. There have been recent failures at Meols and New Brighton, but the source of pollution has not been identified.

Likely impact

There is an extensive long-term programme of work in hand to ensure that the region's effluent meets the requirements of the urban waste water Directive by the target date of 2000.

Work is also in hand to bring coastal discharges to a standard which enables relevant local authorities to meet the European bathing water Directive (76/160/EEC) standards. Completion of the interceptor sewer and treatment works at Southport should help to ensure consistent compliance in the future.

The problems of pollution of the Mersey and other estuaries cannot be solved solely within the confines of the region. Accordingly, the Secretariat will continue to maintain close liaison with the Mersey Basin Campaign which has comprehensive oversight of the programmes and policies for improving river quality in the region.

The Mersey Basin Campaign Trust is a registered charity which has the objective of achieving Grade 2 standard for all rivers in the Mersey basin by 2010, and the intermediate target of having none at Grade 4 by 2000. It also wishes to promote waterside regeneration. The Trust is subscribed to by governmental, private, environmental and voluntary organizations. Its aim is to bring together those with a role to play in achieving the objective. The campaign requires UKL 4 billion over 25 years to achieve its objectives. It has spent UKL 425 million to date.

Liverpool University has been commissioned to produce a management plan for the Mersey basin. The terms of reference include:

- to focus attention of the estuary as one of the Mersey region's most important assets and convey a positive image of the area.
- to provide the basis for an agreed and coordinated programme of environmental action and creative conservation.
- to set out proposals for the management of river-based recreation and for the protection of ecological assets.
- to establish part of the technical basis to enable local authorities and others to respond to the major development initiatives on the estuary.

As far as the sewerage system is concerned, there are major programmes of investment in North West Water's programme to tackle the problems identified above, with the provision of the interceptor sewer along the Liverpool bank due to be completed in 1997, at a total cost of UKL 170 million and a further UKL 23 million for associated works. Construction of an interceptor sewer and treatment works in Southport is nearing completion, and this, together with the Liverpool interceptor, will ensure that there will be no raw sewage discharged into the Mersey from the east bank. On the west bank, construction of treatment works at Birkenhead, Bromborough and Meols is required to meet the standards of the urban waste water Directive. The works are expected to cost around UKL 160 million in total, but as yet there is no firm programme. In general this should lead to an overall improvement in water quality of about one grade.

Waste

Current situation

The typical figures for waste arising per annum in Merseyside are set out below:

Waste type	Tonnes
Household	550 000
Commercial/industrial	350 000
Building	2 000 000*
Special wastes	18 000
Clinical	6 000
Mining and quarrying	500 000
Farm wastes	150 000
Sewage screenings	3 000
Scrap vehicles	50 000
Total	3 627 000

* 1 000 000 tonnes of this is used by building industry.

Typical annual disposal in Merseyside is:

Waste type	Tonnes
Household	554 000
Factory	345 000
Building	1 029 000
Total	1 928 000

Landfill is the most common method of waste disposal. The technique of co-disposal (in which certain toxic wastes are diluted by non-toxic waste in landfill disposal) is used; 2000 tons of the dry special waste (filters etc.) is disposed of in this way. The remainder of the special waste is disposed of outside the region.

Merseyside has 15 landfill sites with a remaining capacity of 5.6 million m³, while the licensed landfill capacity remaining in the region was calculated at 3.54 years. There are no incinerators.

Likely impact

Co-disposal will end in 1998 to comply with the EC Directive COM(91) 102. It is likely that all special (toxic) waste will be disposed of by incineration outside the region.

Projections for the generation of waste over the plan period indicate little change in either volume or type of waste. However, local authorities have submitted proposals to encourage the recycling of waste, the target being to achieve (eventually) recycling of 25% of domestic waste, mainly through the installation of waste recycling centres. Implementation depends upon local authorities having the resources to establish appropriate facilities. Recycling will make a marginal impact on the overall figure of waste disposal.

In general the ability to dispose of waste does not present a problem, additional landfill capacity has been identified both within the region and elsewhere, and it must be recog-

nized that because of the small size of the region, and the specialist nature of some of the facilities required, it cannot be expected to be self contained. There are no particular current problems with the disposal of hazardous waste, either arising from import or export.

Energy

Energy capacity in the region is adequate for foreseeable needs up to the end of the decade and the reliability of supply is very good in urban areas.

However, much of the energy infrastructure is at or near the end of its useful life and there have been few major reconstruction projects to upgrade it. This means that it is often difficult to accommodate new load or to accept generation from energy efficient combined heat and power or similar schemes in parts of the region. Many properties and industrial processes are not energy efficient and there is a great deal of old equipment and infrastructure which needs to be replaced or dismantled.

Major new opportunities are arising with the discoveries of oil and gas in Liverpool Bay in commercially exploitable quantities. The 14th offshore licensing round announced on 14 June has increased potential developments in this area. It will be essential to ensure appropriate environmental safeguards are in place and complied with.

There is considerable scope for energy conservation and greater efficiency. Within the transport sector, on average, over 60% of total energy use is taken up by private cars, with less than 5% from public transport. Many aspects of bus services, including bus stations, passenger waiting facilities and vehicles are of poor quality. These result in a range of environmental difficulties, particularly in town and city centres throughout Merseyside. Investing in public transport could provide significant environmental benefits.

Merseyside has an exposed west coastline and some high ground which enjoys high average annual wind speeds. Wind energy, as a renewable energy source and offering 'sustainability', could be considered as a possibility for development.

The natural bacterial decomposition of organic materials results in the production of methane rich biogas. This methane can be sulked from the rubbish tip and can be used directly or upgraded into a higher value fuel.

Fiddler's Ferry is a coal fired power station with lower sulphur coal being shipped to reduce SO₂ emissions. No combined cycle gas turbines are planned for Merseyside.

Noise

Current situation

Merseyside is not subject to any significant problems of noise pollution, other than those associated with a normal urban environment. Indeed, the low levels of economic activity have kept vehicle levels below the average, so reducing noise pollution from this source.

One noise generator is Liverpool Airport. However noise generation levels from this are very modest in terms of frequency of intrusion since the airport is running at 0.5 million passengers a year with 18 000 movements.

Likely impact

There is currently a planning application lodged by the airport that would take its development up to 12 million passengers. The UK Government has declined to comment on this, because of the quasi-judicial responsibilities of the Secretary of State for the Environment.

The planning application involves realignment of the runway by 5 degrees, with the intention of reducing the noise pollution and nuisance.

Air quality

Current situation

Air quality in the region is generally good. The prevailing wind is from the west, across the Atlantic and Irish Sea, and there are no major sources of air pollution in those areas.

As a result of the Clean Air Acts (1956, 1968) emissions of smoke and sulphur dioxide have fallen dramatically. The clarity of the air has improved greatly and smogs are a thing of the past. This improvement was accelerated in the 1970s and 1980s by the switch from solid fuels to gas for much space heating in homes and businesses. The region is almost entirely subject to smoke control legislation for domestic fires and there are no significant problems arising from domestic fuel consumption.

Additionally, old fossil fuel-burning power stations have gradually been decommissioned and a new generation of stations has been built further away from towns.

Many industrial chimneys are fitted with electrostatic precipitators to reduce pollution and the increased height of chimneys means that pollutants are dispersed to areas downwind. Even though there is a marked reduction in smoke and SO₂ pollution levels, some localized problems still occur. The EC guide level for SO₂ is occasionally approached and in some cases breached. There are localized problems in central St Helens.

Measurements for nitrogen dioxide (NO₂) in the region have identified that some areas are experiencing relatively high NO₂ concentrations. These are generally the Merseyside urban areas which have exceeded the EC guide value. The Department of the Environment has recorded 'very poor' and 'poor', while the World Health Organization's hourly guideline was breached recently.

The mean NO₂ concentration in Liverpool during 1991 was given as 153.6 µg/m³ while the EC limit value is 200 µg/m³ and the EC guide value is 135 µg/m³.

Monitoring of the inhalable, airborne dust has shown that the EC standard for lead in air is satisfied at all monitoring sites in the region.

Because airborne lead is linked strongly to traffic, the effects of new low lead and unleaded petrol have led to a 50% reduction in lead levels in some monitoring sites.

Monitoring has shown that a level below 0.1 µg/m³ is now being achieved, with EC limit value of 2.0 µg/m³.

Acid deposition is primarily the result of man-made emissions of sulphur dioxide (SO₂) and nitrogen oxides (NO_x).

Estimated emissions in 1987 show 27 900 tons of SO₂; 39 700 tons of NO_x; 2 400 tons of HCl; and 400 tons of NH₃.

Elevated emissions exist at Fiddler's Ferry power station which is in the region contiguous with Merseyside. This station is the largest point source of SO₂, NO_x, and HCl in the region. Fiddler's Ferry has, since 1987, been retrofitted with low NO_x burners.

A critical load is an estimate of an exposure to one or more pollutants above which significant harm occurs on sensitive parts of the environment. Large areas of the North West

especially soils in the uplands of the Lake District and the south and west Pennines, currently receive acid deposits beyond their critical loads.

Likely impact

Such major developments as are planned, which might have an effect on air quality, are very limited, primarily development of the gas reception terminal on the Point of Ayr, across the Dee Estuary in Wales; and a proposed new power station, fired by gas, at Connah's Quay. It is not expected that either of these will have a significant adverse impact upon the air quality on Merseyside.

There are no significant developments proposed with the plan which will have any major effect on air quality in the region.

The legal and administrative framework

Development plans

The development plan system is set out in the Town and Country Planning Act, as amended by the Planning and Compensation Act 1991. The statute is supplemented by regulations (the Town and Country Planning; Development Plan Regulations 1991), which set out the detailed requirements for the preparation of development plans, including their form and content and the procedures involved.

In non-metropolitan areas, development plans comprise structure plans (in which county councils set out key strategic policies as a framework for local planning) and local plans (in which district councils and National Park authorities set out more detailed policies to guide development in their areas, including proposals for specific sites). County and National Park authorities also prepare local plans for minerals and waste. In London and the metropolitan areas, councils produce unitary development plans and include minerals and waste policies. Over-arching this is regional planning guidance — not a regional plan — by the overall government view of how development should proceed in the region.

Because plans (apart from regional guidance) form the statutory basis of land use planning decisions, it is important that local people participate in their preparation. Before a local authority places a draft plan 'on deposit', they carry out what is termed as 'pre-deposit consultation'. At this stage the authority has to consult certain bodies, including the Countryside Commission, English Nature, the National Rivers Authority, English Heritage and Her Majesty's Inspectorate of Pollution. They may also consult the public. The Secretary of State for the Environment has told authorities that it is important to give their proposals adequate publicity and time for comment. Authorities should also consult interested organizations.

Plan authorities will take account of whatever representations they receive in preparing their proposals for plan deposit. This means that copies of the plan are publicly available at places such as the town hall and public libraries. There are six weeks for the public to object to the proposals or make other representations.

After the objection period has finished the authority will normally hold an examination-in-public (EIP) for structure plans, or a public local enquiry for local and unitary development plans. Both of these consider objections to the authority's proposals. After the public examination at an enquiry or EIP there will be a report to the local authority. The local authority will then prepare any modifications and again the public has six weeks in which to object. Once the authority has considered these objections it will adopt the plan. The Secretary of State for the Environment reserves the right to intervene in the plan preparation process before proposals are adopted.

Regional planning guidance is prepared by the Department of the Environment. However, no statutory consultation procedure is followed as the guidance is not a statutory document. However, groupings of local authorities known as 'conferences' or forums, have been set up in most regions to provide regional advice to the Department of the Environment. They are required to carry out appropriate consultation on their draft advice. Once received the Department draws up its own guidance, usually allowing two months for public consultations. The final published guidance will take account of the comments received.

Environmental assessment

Some planning applications require the production of an environmental assessment. The European Community Directive on environmental impact assessment (Directive 85/337/EEC) has been implemented through the Town and Country Planning (Assessment of Environmental Effects) Regulations 1988. Advice on procedures is set out in Department of the Environment Circular 15/88.

The EA planning regulations apply to two separate lists of projects, based on Annexes I and II of the EC Directive. For Schedule I projects EA is required in every case, and for Schedule 2 projects, EA is only required if the particular development is likely to give rise to a significant environmental effect. Planning authorities are asked in Circular 15/88 to inform the Secretary of State of all cases in which they give a formal 'opinion' or 'notification' that EA is required, together with brief details of the development. The Secretary of State may give a direction that EA is or is not required. Once an environmental statement has been submitted it is available for public consultation. Copies are also forwarded to various statutory consultees specified in the Regulations, such as the Countryside Commission, English Nature, and Her Majesty's Inspectorate of Pollution. Their comments will be taken into consideration by the planning authority making the decision.

Competent authorities

The Objective 1 programme should be viewed in the context of the policies of the European Commission and the United Kingdom for sustainable development, outlined in section 1.3 above.

For the purposes of this Objective 1 programme, the 'competent authorities', designated in accordance with the Regulations shall be the National Rivers Authority.

This designation is on behalf of the Secretary of State for the Environment, who is the overall competent authority for environmental issues within the United Kingdom, bearing in mind the need for detachment of responsibility (which non-departmental public body status allows) of the Secretary of State's other responsibilities, for Structural Funds issues, as exercised with the secretariat and the government office for Merseyside; and also the intention, currently the subject of paving legislation before the UK Parliament, to establish an Environmental Protection Agency, combining the NRA and Her Majesty's Inspectorate of Pollution. The Secretary of State is making the requisite formal appointments for these purposes.

National policies

In the White Paper 'This common inheritance: Britain's environment strategy', the United Kingdom Government set out its commitment to improving the environment in Britain, including overall objectives for protecting the physical environment, using resources prudently, controlling pollution effectively and encouraging greater public involvement and making information available. Concern about the environment and sustainable development is attracting an ever high priority, not only domestically but within the European Community and also internationally. The EC fifth environmental action plan makes it clear that regions with a high environmental quality attract dynamic companies and sectors, and that environmental protection itself creates new demands, markets and skills.

The UK Government is committed to working to national strategies for action to conserve local national and global environments. Four strategies, based on the four main outcomes of the earth summit at Rio in 1992 have been launched by the UK Government:

- Agenda 21 — a comprehensive programme of action needed throughout the world to achieve a more sustainable pattern of development for the next century;
- the Climate Change Convention — an agreement between countries establishing a framework for action to reduce the risk of global warming by limiting the emission of 'greenhouse gases';
- the Biodiversity Convention — an agreement between countries about how to protect the diversity of species and habitats in the world;
- Sustainable Forestry — a statement of principles for the management, conservation and sustainable development of all the world's forests.

Planning issues arising from the programme

There are no significant planning issues arising from the likely proposals to be put forward within the programme. There are no major road proposals: those likely to be proposed will be of purely local significance, and if necessary will be subject to suitable environmental impact assessment. No major new sources of energy supply are proposed. The exploitation of the oil and gas resources within the Irish Sea, in Liverpool Bay, will be undertaken in accordance with the appropriate environmental requirements. Licences are issued subject to consultation with all relevant environmental agencies, such as English Nature, Marine Conservation Society and the National Rivers Authority. The potential environmental impact of any expansion of Liverpool Airport will be dealt with within the appropriate planning framework — see above. It is the intention of the partners carrying out the plan to ensure that as far as possible, new industrial and commercial development takes place within the existing built-up urban areas, so far as possible through re-use of existing buildings/reclamation of existing sites. Any substantial greenfield development will only take place as a matter of last resort, and will be subject to the appropriate planning and other environmental considerations.

Only one planning application which might fall outside the normal planning system is currently in train, that for a new prison at Fazakerly. This project in any case is not eligible for support from the Structural Funds, and is unlikely to raise any issues of significant environmental impact, which cannot be dealt with adequately within the usual statutory planning framework. The potential impact of development at Liverpool Airport would fall within the normal planning system. The development of an in-river roll-on roll-off ferry berth in the Mersey might, if undertaken by a body other than Mersey Docks and Harbour Company (MDHC), require a harbour revision order and be subject to an assessment by the acting conservator of the Mersey, and also to normal planning consideration on the land side.

2.5. The Merseyside Objective 1 programme: the priorities of the Structural Funds, and the measures to be supported

The Merseyside Objective 1 programme consists of the following five priorities, based on the drivers for change outlined in section 2.1:

<p>Action for industry: inward investment and key corporate business development</p>
<p>Action for industry: indigenous enterprise and local business development</p>
<p>Action for industry: knowledge-based industries and advanced technology development</p>
<p>Action for industry: developing the cultural, media and leisure industries</p>
<p>Action for the people of Merseyside: pathways to integration, a better training system, community development and a better quality of life</p>

Each of these priorities consists of a package of mutually reinforcing measures, designed to provide a coherent focus for support from the Structural Funds in an integrated way.

The structure of priorities and measures is as follows:

1. Action for industry: Inward investment and key corporate business development

1. Quality sites and premises for industrial and commercial investors
2. The specific training needs of the key corporate sector: improving business competitiveness
3. The Merseyside image campaign
4. Gateways for industry: developing Merseyside's ports and airport for business needs
5. Access to key sites for industrial and commercial development
6. Managing and recycling industrial waste

2. Action for industry: Indigenous enterprise and local business development

1. Premises for SME development
2. Incentives for local business investment:
 - The Merseyside special investment fund
 - Diagnostic and consultancy services
 - Marketing assistance
 - Developing supplier and business networks
 - Industrial quality and design
 - Assistance with industrial investment plans
 - Telecommunications links for SMEs
 - Energy efficiency and environmental best practice for business
3. Support for the specific training needs of SMEs
4. The farming sector and food industries on Merseyside

3. Action for industry: Knowledge-based industries and advanced technology development

1. Research, innovation and technology development for business needs:
 - Merseyside research, development and innovation strategy
 - Assistance with new product and process development
 - Support for a more commercial application of research activity
 - Help with participation in research programmes
 - Incubation centres
2. Specific training for new technology skills
3. Developing clean technologies and increasing environmental awareness on Merseyside
4. Specific training for environmental skills

4. Action for industry: Developing the cultural, media and leisure industries

1. The cultural and media industries of Merseyside: development of facilities for investors
2. Better quality in the cultural and media industries: specific skills training
3. Attracting visitors to Merseyside: help for investment in festivals, events and tourist attractions, and upgrading the standard of accommodation
4. Improving quality: upgrading skills in the tourist industry
5. Protecting and developing the natural and historic built environment

5. Action for the people of Merseyside: Pathways to integration, a better training system, community development and a better quality of life

1. Pathways to integration: a package of economic and social support for the areas of inner Liverpool, Bootle, Birkenhead, Huyton, Knowsley, and Speke/Garston:
 - a pathway to education: school-college link courses; school-industry link courses; awareness of educational opportunities for school leavers
 - a pathway to skills: basic literacy and numeracy; confidence building; guidance and counselling
 - a pathway to training: customized training; training for skills in demand on the local labour market; outreach and mobile training facilities; telecommunications for distance learning
 - a pathway to jobs: work placement schemes; employment subsidies for target groups; community enterprises; targeted business support; childcare and the care of other dependants
 - a better quality of life: targeted environmental improvements; community facilities; health awareness; tackling crime
 - community involvement: a public awareness campaign; setting up and developing the initiatives
2. Career development: responding to people's needs for lifetime training in identified growth sectors
3. Accompanying measures to improve equal opportunities for men and women in the labour market
4. Targeted action to improve access to jobs and training for those with special needs facing exclusion from the labour market
5. Improved and more flexible education, training and employment services:
 - improving the quality of education and training advice
 - improving the quality of the employment services: support for every unemployed person on Merseyside
 - better understanding between training providers and business: closer industry-education links
6. Access to work: improving the public transport system
7. A better environment: measures to treat derelict, contaminated and neglected land

6. Administration

1. Technical assistance

These measures are described in the remainder of this Chapter, following a common format: rationale, objectives, description of the eligible activities, selection criteria, geographical scope, outputs, indicators for monitoring and evaluation, timetable, responsible authorities and final beneficiaries.

Illustrative costings of the measures are contained in the financial plan in Chapter 4.

1. Action for industry: Inward investment and key corporate business development

This priority consists of six measures designed to meet the needs of the key corporate sector and inward investors on Merseyside.

A package of support is provided, including quality sites and premises, with access, including through the major gateways between Merseyside and the rest of Europe and beyond; training support; an image campaign complementing inward investment activity; and facilities for treating and recycling industrial waste.

The key objectives of this priority are:

- to lever in UKL 130 million of private sector investment.
- to maintain and develop the manufacturing and market services sector on Merseyside by raising value-added in these sectors from its current value.

As a result of schemes supported by Structural Funds:

- to create 13 730 permanent jobs.
- to create 22 700 permanent jobs indirectly (and 120 which are direct and indirect).
- to provide 490 hectares of land improved, serviced or returned to productive use.
- to develop 558 000 m² of industrial and commercial floorspace.
- to deliver 500 cases of support to companies through the ESF.

Specific objectives and outputs are given, where possible, for each measure, showing how they will contribute to the overall objectives of the priority.

These objectives will be monitored throughout the lifetime of the programme. More specific indicators for monitoring and evaluation, where appropriate, are specified for each measure.

Action for industry: Inward investment and key corporate business development

Measure 1: Quality sites and premises for industrial and commercial investors

Rationale

To attract investment from outside the region and encourage maximum indigenous growth, Merseyside must have a stock of high quality serviced sites and premises. These must be capable of development for industrial and commercial uses.

Where modern serviced sites can be provided, as at the Wavertree Technology Park and the Brunswick Business Park, considerable inward investment and indigenous growth can be secured. Since 1986 the Wavertree project has created 1600 new jobs and secured UKL 40 million private sector investment.

A recent study has identified some of the high quality sites within the region capable of development into attractive, modern locations. These are set out in Map A. The region also has a number of undeveloped, often derelict, sites which could be developed as strategic locations for private investment. These are often in good locations which, providing basic infrastructure works are undertaken, should prove attractive to private sector investment. A selection of these locations is set out in Map B.

Priority will be given to the reclamation of derelict sites and the upgrading of existing locations for uses which result in the creation of new jobs.

Objectives

To ensure an adequate provision of quality industrial and commercial sites and premises in order to encourage investment, indigenous growth and increase employment opportunities.

Description

ERDF support is available for the following eligible works, which should form part of an overall site development package: land acquisition, feasibility studies, reclamation, including the improvement and provision of services and pollution control essential to the development of the site, transport infrastructure, flood defence works, environmental works, security systems, business units and premises, on-site support services, rent guarantees, grants and general refurbishment. Pure retail activities are not eligible for support. ERDF support for land acquisition must be limited to a maximum of 10% of the total grant awarded to any scheme.

ERDF support is available for the public, private or voluntary sectors for eligible sites or premises investments. Sites or premises must be leased or sold at market prices. Any element of State aid must be on a scheme approved by the Commission.

Private sector firms may apply directly to the programme for Structural Fund support. This will be appraised and administered through bodies designated by the Programme Monitoring Committee.

To receive funding, projects must either be schemes that would not be undertaken without grant aid, or would be implemented only in a reduced form and/or at a slower pace than can be achieved with grant aid.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

This measure will deliver:

- 13 400 permanent jobs created (by occupants of developed floorspace).
- 6 700 permanent jobs created indirectly.
- 558 000 m² of industrial/business space provided.
- 490 hectares of land provided for industrial use.

The impact will be:

- increased private sector investment in enterprises located in sites and premises supported by the Structural Funds, including inward investment;
- increased occupancy rates of sites and premises.

Timetable

Six years, subject to annual review.

Cost

Assistance will always be the minimum required to ensure that projects are carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

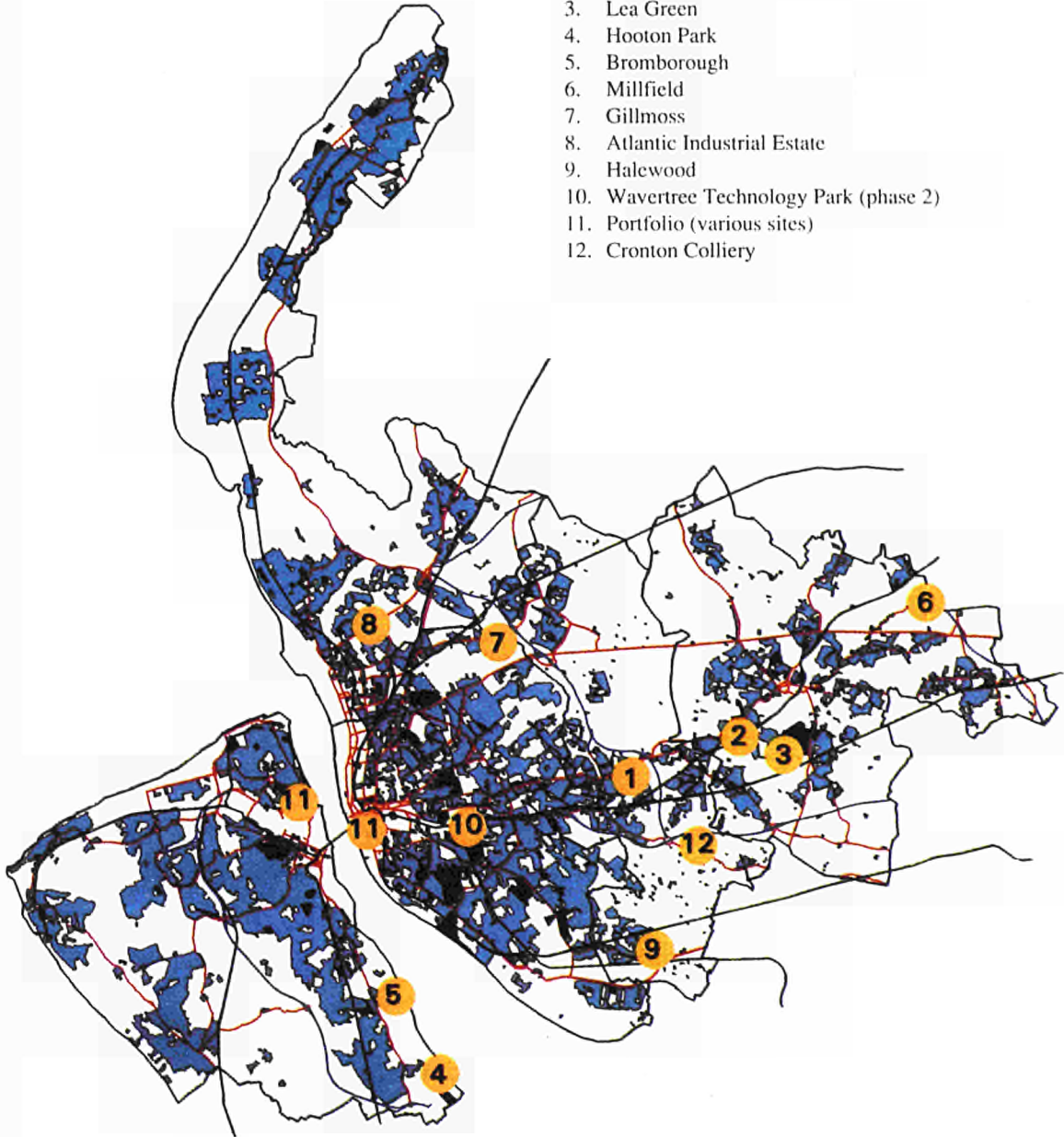
Final beneficiaries

Local authorities, English Partnerships, Mersey Docks and Harbour Company, Merseyside Development Corporation, other public sector bodies, private companies and voluntary sector organizations.

MAP A

KEY TO SITES

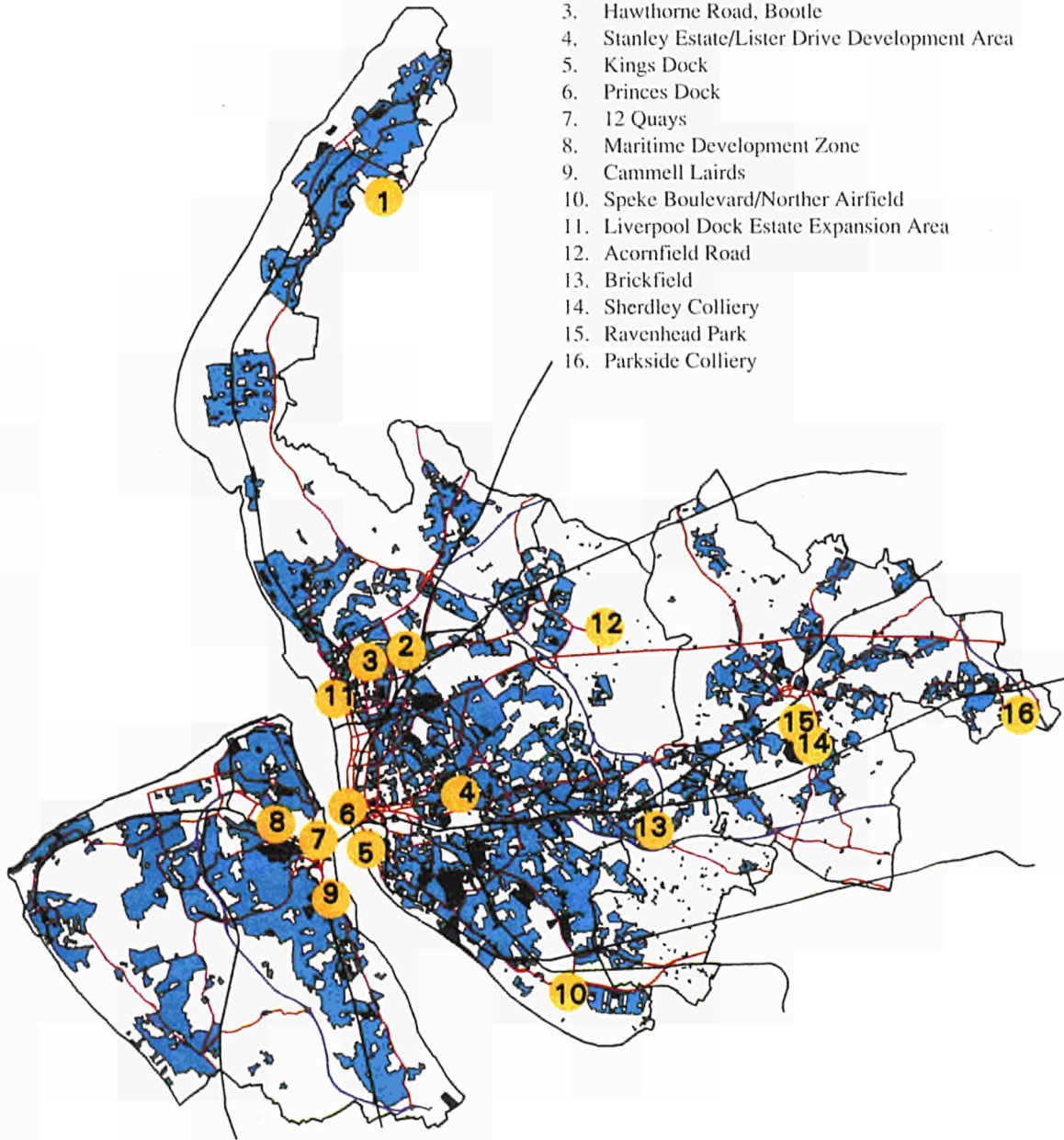
1. Hazels Business Park
2. Rainhill Hospital
3. Lea Green
4. Hooton Park
5. Bromborough
6. Millfield
7. Gillmoss
8. Atlantic Industrial Estate
9. Halewood
10. Wavertree Technology Park (phase 2)
11. Portfolio (various sites)
12. Cronton Colliery



MAP B

KEY TO SITES

1. Town Lane, Southport
2. Aintree Triangle
3. Hawthorne Road, Bootle
4. Stanley Estate/Lister Drive Development Area
5. Kings Dock
6. Princes Dock
7. 12 Quays
8. Maritime Development Zone
9. Cammell Lairds
10. Speke Boulevard/Norther Airfield
11. Liverpool Dock Estate Expansion Area
12. Acornfield Road
13. Brickfield
14. Sherdley Colliery
15. Ravenhead Park
16. Parkside Colliery



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Merseyside Information Service

Action for industry: Inward investment and key corporate business development

Measure 2: The specific training needs of the key corporate sector: improving business competitiveness

Rationale

The Merseyside economy has experienced substantial decline, and the weakening economic base in the region makes it difficult for enterprises to prosper. The local economy has not had a sufficient increase in new growth sectors to offset the decline in traditional sectors.

Employment on Merseyside is dependent on a small number of large companies such as Ford, GPT/Plessey, Unilever, Girobank, Littlewoods and Royal Insurance. In 1991 these few large companies (i.e. over 500 employees) employed around 18% of the workforce. The key industries on Merseyside are constantly adapting to changes in markets and production conditions. To respond to these conditions, the major employers in the region need access to a labour force with the right skills at the right time.

The EC labour force survey estimates that around 70 000 employees on Merseyside are receiving training, either within their companies, or at colleges away from work. This is just 15% of those in employment in the region. A first priority must therefore be to encourage employers to invest in training their own workforce.

ESF support to increase training carried out in or by companies is a good way of ensuring that public sector activity is closely geared to the needs of the market. To ensure best use of the resources, support should be targeted on customized training which meets both the needs of business and of the long-term unemployed and other priority groups.

Objectives:

To encourage companies to become investors in people.

To assist the protection or creation of jobs.

To make the qualifications of the workforce more relevant to market needs.

Description

ESF support is available for:

- support for employers collectively and individually to get their own structures right, e.g. to draw up training plans and to commit to and become investors in people.
- support for employers to help young people achieve NVQs, including through apprenticeship schemes.
- recruitment and training packages; schemes that meet business needs as well as the needs of the long-term unemployed and other priority groups, will be given priority.
- support for training linked to projects set up with ERDF support.
- direct training where it improves an employer's capacity to train its own workers, e.g. through trainer training or upskilling supervisors/management.
- pump-priming for companies to start employee development programmes.

- graduate recruitment and retention measures.

Skills in shortage on the local labour market for the needs of large firms will be identified and reviewed in the light of regional skill needs studies to be presented to the Programme Monitoring Committee (see priority 5, measure 5).

Private sector firms may apply directly to the programme for Structural Fund support. This will be appraised and administered through bodies designated by the Programme Monitoring Committee.

To receive funding, projects must either be schemes that would not be undertaken without grant aid, or would be implemented only in a reduced form and/or at a slower rate than can be achieved with grant aid.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

Quantified objectives for the measures supported by the ESF are specified for the Merseyside Objective 1 programme as a whole in section 2.3 — 'A strategy for investing in the people of Merseyside'.

The number of interventions in companies supported by the ESF under this measure during the lifetime of the programme is estimated to be 500.

This measure will deliver:

- an increased number of companies who have a company training plan and start employee development programmes.
- an increased number of companies committing to and becoming investors in people.
- an increased number of trainers/supervisors/managers trained.

This impact will be:

- an increased leverage of private sector investment in industrial skills training.
- an increased number of individuals trained to NVQ or equivalent qualifications in identified skill shortages.

Timetable

Six years, subject to annual review.

Cost

Assistance will always be the minimum required to ensure that projects are carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authority

The Programme Monitoring Committee.

Final beneficiaries

The managers and employees of companies on Merseyside with more than 250 employees, any people on Merseyside following courses in the skills identified in the measure.

**Action for industry: Inward investment and key corporate business development
Measure 3: The Merseyside image campaign**

Rationale

Merseyside suffers from a poor image. Outside the United Kingdom, the region is not well known, but areas of the region such as Liverpool carry in some cases more positive connotations.

This poor image is based on the widely perceived economic decline of the region. This holds back investment in the region from external sources.

In some respects, Merseyside's image fails to take account of the many local success stories and fundamental advantages that the region can offer the investor.

There is, however, no shortage of promotional and marketing campaigns in the region. The region has failed too often in the past to act as a single body and the message has been confused and uncoordinated, reducing the value of the considerable efforts made.

There is, however, a need for closely targeted action focusing on the image problem identified. This action will have to be designed to meet the needs of inward investors and tourists.

Objectives

To improve the image of the region on a national and international scale, especially among potential investors.

Description

ERDF support is available for regionally-coordinated, business-led action to improve the image of Merseyside among potential investors.

This action will not duplicate existing activity.

It may include more than one initiative during the lifetime of the programme, including support for regionally coordinated local promotional campaigns, where these are shown to have specific added value and do not lead to duplication.

ERDF assistance may also be given for back-up support in the case of follow-up on specific inward investment enquiries, for aftercare support of foreign inward investors who have located in Merseyside, and for facilities, such as database development and research and local information provision, to improve the handling of enquiries.

To receive funding, projects must either be schemes that would not be undertaken without grant aid, or would be implemented only in a reduced form and/or at a slower pace than can be achieved with grant aid.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

The impact of this measure will be:

- an increase in business investment in Merseyside.
- an improved image of Merseyside within Europe and the wider world.
- a more favourable perception of the region among potential investors.

Timetable

Six years, subject to annual review.

Cost

Assistance will always be the minimum required to ensure that projects are carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

Final beneficiaries

Private or public sector organizations or other bodies on Merseyside with a capability to deliver an effective campaign.

Action for industry: Inward investment and key corporate business development

Measure 4: Gateways for industry: developing Merseyside's ports and airport for business needs

Rationale

Merseyside must again serve as a major gateway between Europe and the rest of the world. Although much of the infrastructure is already in place in the ports, airport, road and rail networks, there must be further investment to take forward the recovery that has taken place over the last decade.

The ports

The region's port facilities are a crucial element in the economy of Merseyside. A study undertaken by Liverpool University suggests that port activities and related business support between 50 000 and 100 000 jobs in the local economy.

A recent study has estimated that the activity of the Mersey Docks and Harbour Company makes up 1.3% of the region's GDP. This figure is estimated to increase to 4% if the MDHC capital programme up to the end of the century, worth over UKL 200 million, can be enhanced or accelerated by the ERDF.

The ports also play a crucial role in linking the economy of Ireland to Europe. At least 60% of Irish container traffic passes through Liverpool. In all 33.5% of the port of Liverpool's trade is with the Republic of Ireland.

Over the last few years the port has been very successful. In 1981 only 2.8% of Great Britain's trade passed through Merseyside's ports. By 1990 this had increased to 4.9% and reached 5.2% in 1991, strengthening the local economy and creating employment opportunities.

Further investment in the port is required if it is to continue to develop and sustain increased employment levels in the region. Investment is also required in transport networks linking the port to wider UK and European transport networks.

Targeted investment in the port would also assist the development of SMEs trading into or out of the port. Particular effort will be made to encourage exporting to and from the port by local SMEs.

The airport

Liverpool Airport handles 480 000 passengers a year and forms an important part of the transport infrastructure of the region.

Planning applications are being submitted that could take the capacity of the airport up to 3 and 12 million passengers a year respectively and provide facilities for charter traffic and other services.

At present the airport employs 470 people. It has been suggested that for every million passengers, 1 000 jobs are created. The air traffic capacity of the North West will grow in the future and it is likely that investment in Liverpool Airport would yield a significant return for Merseyside in the form of private sector investment and jobs if Liverpool is included in the more general regional expansion.

Planning considerations

This measure is without prejudice to the outcome of relevant planning applications and does not represent any view of these applications.

Objectives

To increase tonnage handled by the ports, and create investment and extra jobs in port and associated activity.

To develop links with Ireland through the port, especially for SMEs.

To strengthen the role of Merseyside as the primary land bridge with the rest of the EC through the Channel Tunnel and east and south coast ports.

To increase the capacity of the airport, in terms of passenger numbers and freight.

To increase investment and employment in airport-related opportunities.

Description

ERDF support is available for MDHC and other public or private sector companies to improve existing port facilities, develop new ones and provide improved access.

ERDF support is available for the local authorities, Liverpool Airport and the private sector to improve existing airport facilities, develop new ones and provide improved access.

Projects must be able to demonstrate that they will create employment and lever in additional investment.

To receive funding, projects must either be schemes that would not be undertaken without grant aid or would be implemented only in a reduced form and/or at a slower pace than can be achieved with grant aid.

Applications for public funding of port and airport investments through the ERDF will be dealt with, taking into account the overall effects on the North West region and neighbouring areas, and the need to ensure that developments will not lead to over capacity by being subsidized by public funds.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

This measure will deliver:

- 220 permanent jobs created directly.
- 10 600 permanent jobs created indirectly.

The impact will be:

- increased leverage of private sector investment.
- increased employment, directly and indirectly related to the port and airport.
- improved access to the port and airport.
- increased tonnage handled/passenger numbers.
- increased handling efficiency at the port and airport.
- increase in destinations served, port and airport.

Timetable

Six years, subject to annual review.

Cost

Assistance will always be the minimum required to ensure that projects are carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

Final beneficiaries

MDHC, local authorities, Liverpool Airport and other public or private sector bodies.

Action for industry: Inward investment and key corporate business development

Measure 5: Access to key sites for industrial and commercial development

Rationale

Merseyside is already equipped with a generally good highway infrastructure and is well keyed into the national motorway network. The length of roads per 100 000 population and per km² is 355.43 km and 7 986 km respectively. The region also has good links with the national railway network with good Intercity services to London, and has extensive freight facilities.

A limited number of local road schemes are either planned or required to ensure further development of Merseyside's major employment generating activities.

This includes improved linkages between the motorway network and selected commercial and industrial areas where access is demonstrably operating as a constraint on development.

There is a particular need for key tourist and business sites (such as Speke/Garston) to be connected to the national road network. Sites and premises aided through other measures in this programme must be connected to the network if they are to attract investment.

Objectives

To ensure that key industrial, business and tourist sites are properly connected to the national network, and removing their access constraints.

To increase employment and investment at key sites on Merseyside.

Description

ERDF support is available for the local authorities and/or the private sector to undertake key local road and public transport infrastructure projects providing access to industrial, commercial or tourism sites. They must be able to demonstrate that support would lead directly to increased investment in the region and encourage job creation, as well as relieving a constraint on development at the sites concerned.

To receive funding, projects must either be schemes that would not be undertaken without grant aid, or would be implemented only in a reduced form and/or at a slower pace than can be achieved with grant aid.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

This measure will deliver:

- 37 km of access routes.
- 5 new or upgraded railway stations.
- 20 km of new or improved railway lines.
- 110 permanent jobs created directly.
- 5 400 permanent jobs created indirectly.

The impact will be:

- leverage of private sector investment in new or existing industrial or commercial sites.
- jobs created or safeguarded at those sites.
- easier access for commercial and industrial traffic to development sites.
- a reduction in delivery times for local businesses.

Timetable

Six years, subject to annual review.

Cost

Assistance will always be the minimum required to ensure that projects are carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authority

The Programme Monitoring Committee.

Final beneficiaries

Local authorities; Merseyside Passenger Transport Authority and Executive, British Rail, English Partnerships, Merseyside Development Corporation; private sector.

Action for industry: Inward investment and key corporate business development

Measure 6: Managing and recycling industrial waste

Rationale

Merseyside requires a high-quality environment if it is to attract investment and to retain its population and indigenous business base.

To maintain and improve its environmental quality, the region must have the capacity to dispose of domestic, industrial and commercial waste in ways which do as little harm as practicable to the environment. This will contribute to sustainable development through the maximization of reuse and recycling.

Waste management on Merseyside is primarily achieved through landfill disposal. There is likely to be a shortage of suitable sites in the future. Quantified indicators measuring the state and likely development of this problem are set out in the environmental profile for Merseyside. Local authorities are under an obligation to develop waste recycling plans. There is a national target of 25% of all household waste being recycled by the year 2000. This, coupled with a forecast shortage of landfill sites, emphasizes the need to develop appropriate technologies to deal with this problem.

Objectives

Develop new or improved methods of waste disposal.

Encourage wider public recycling and reuse.

Description

ERDF support is available for the Waste Disposal Authority, local authorities, businesses and the voluntary sector to develop innovative ways of industrial waste collection, disposal recycling and the minimization of waste.

Grants to SMEs must have the endorsement of the relevant local authority.

ERDF support is available for the Waste Disposal Authority, regional institutes of further and higher education (H/FELs), businesses and the voluntary sector to undertake research into waste disposal and recycling, including research and pilot projects concerned with recycling of domestic waste with particular environmental benefits. Projects from businesses and the voluntary sector must be endorsed by the relevant local authority.

To receive funding, projects must either be schemes that would not be undertaken without grant aid, or would be implemented only in a reduced form and/or at a slower pace than can be achieved with grant aid.

ERDF support may not be given to bodies to meet their statutory obligations.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

The impact of this measure will be:

- increased leverage of private sector investment in industrial waste treatment or research.
- increased percentage of industrial and commercial waste treated or recycled.
- 120 permanent jobs created directly and indirectly.

Timetable

Six years, subject to annual review.

Cost

Assistance will always be the minimum required to ensure that projects are carried out. The financial plan of this measure is given in the table in Chapter 4.

Responsible authority

The Programme Monitoring Committee.

Final beneficiaries

The Waste Disposal Agency; local authorities; private sector; voluntary sector; regional further and higher educational institutions.

2. Action for industry: Indigenous enterprise and local business development

This priority consists of four measures designed to meet the needs of the small firms sector on Merseyside.

As with the key corporate sector, a package of support is provided, including premises, and telecommunications links; a significant programme of training and investment support, together with a range of business services and access to capital; energy efficiency and environmental measures.

Included within this sector are the farming, fishing and food processing industries on Merseyside, for which a number of actions are available from the EAGGF and FIGG. At this stage, no measure is proposed for FIGG. However, if during the implementation of the programme the Monitoring Committee decides that FIGG support may be required, this may be sought through a modification of the programme.

The situation of Merseyside compared to the European average in respect of a number of key variables of relevance to this sector is as follows:

- net firm births per 100 000 inhabitants (Merseyside = -40).

The key objectives of this priority are:

- to increase the creation of SMEs from its current rate (1933 new VAT registrations in 1992).
- to raise SME survival rates (2 504 VAT deregistrations in 1992).
- to lever in extra private sector investment.

And, as a result of schemes supported by the Structural Funds:

- to deal with 180 300 cases through business advice and assistance.
- to create 4 300 permanent jobs.
- to create 2 200 permanent jobs indirectly.
- to provide 145 hectares of land improved, serviced or returned to productive use.
- to develop 166 000 m² of SME floorspace.
- to deliver 6 200 cases of support to companies through the ESF.
- to help an additional 135 small companies become investors in people by 2000.

Specific objectives and outputs are given, where possible, for each measure, showing how they will contribute to the overall objectives of the priority.

Action for industry: Indigenous enterprise and local business development

Measure 1: Premises for SME development

Rationale

To encourage maximum indigenous growth, Merseyside must have a stock of appropriate SME accommodation on quality sites if the creation and survival rate of SMEs is to be increased.

This will include the provision of business units and small workshops, with business services on-site as necessary, incubator and move-on units adapted to the needs of SMEs.

Support will also be available for the provision of serviced sites as necessary.

Woodside Business Park has provided 76 industrial and commercial units with a total floor area of 85 000 sq. ft. and about 400 jobs at a total cost of just over UKL 3 million.

Priority will normally be given to the reclamation of derelict sites and the upgrading of existing locations for uses which result in the creation of new jobs.

Objectives

To ensure an adequate provision of quality industrial and commercial sites and premises for SMEs in order to encourage investment, indigenous growth and increase employment opportunities.

Description

ERDF support is available for the following eligible works, which should form part of an overall site development package: land acquisition, feasibility studies, reclamation including the improvement and provision of services and pollution control essential to the development of the site, transport infrastructure, flood defence works, environmental works, security systems, business units and premises adapted to the needs of SMEs, workshops, with managed services as appropriate, incubator and move-on units, on-site support services, rent guarantees, grants and general refurbishment. Pure retail activities are not eligible for support. ERDF support for land acquisition must be limited to a maximum of 10% of the total grant awarded to any scheme.

ERDF support is available for the public, private or voluntary sectors for eligible sites or premises investments. Sites or premises must be leased or sold at market prices. Any element of State aid must be on a scheme approved by the Commission.

Private sector firms may apply directly to the programme for Structural Fund support. This will be appraised and administered through bodies designated by the Programme Monitoring Committee.

To receive funding, projects must either be schemes that would not be undertaken without grant aid, or would be implemented only in a reduced form and/or at a slower pace than can be achieved with grant aid.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.

- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

This measure will deliver:

- 4 000 permanent jobs created.
- 2 000 permanent jobs created indirectly.
- 166 000 m² of industrial/business space provided for SMEs.
- 145 hectares of land provided for SME use.

The impact will be:

- increased private sector investment in SME sites and premises in schemes supported by the Structural Funds.
- increased occupancy rates of sites and premises.
- increased net firm births per 100 000 inhabitants.
- increased survival rate of SMEs.

Timetable

Six years, subject to annual review.

Cost

Assistance will always be the minimum required to ensure that projects are carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

Final beneficiaries

Local authorities, English Partnerships, Mersey Docks and Harbour Company, Merseyside Development Corporation, other public sector bodies, SMEs and voluntary sector organizations.

Action for industry: Indigenous enterprise and local business development

Measure 2: Incentives for local business investment

Rationale and description

Two identified weaknesses in the Merseyside economy are its dependence on a small number of large employers and its high birth and death rates for business start-ups. The SME sector needs to be maintained and encouraged to expand in order to realize its full potential in terms of output, wealth creation and the preservation and creation of jobs. SME support needs to be readily accessible and market driven, based on identified local requirements.

SMEs have the flexibility to expand rapidly in response to market opportunities thereby increasing employment for local people.

The emerging network of business links will provide locally-based outlets for a complete range of business support services which will be drawn-up and developed in response to the needs of the area. Business links will include all the main business support agencies as partners.

A range of measures for SME support is proposed:

The Merseyside special investment fund

It is believed that more ready access to equity and loan capital by new and expanding SMEs is needed on Merseyside. This view is supported by bankers, intermediaries and SMEs themselves in the region.

Work is already underway to identify more precisely the nature of the funding gap which it is believed currently acts as a deterrent to SME expansion on Merseyside and the sectors which would benefit most; to examine ways of drawing in private sector investment as matching funds; and to consider how such a fund should be set up and run. There may also be scope for making more use of EIB and ECSC loans and the DTI's loan guarantee scheme.

The fund will aim to provide venture capital for successful SMEs in a position to expand but experiencing difficulty in raising funds from the usual sources because, for example, they cannot demonstrate an ability to meet in full the rate of return required by existing institutions. SMEs would be expected to have investigated other sources of private finance before applying to the fund or to have been referred by their professional adviser/local business link on the basis that alternative sources of finance would not be open to them. The fund might also be used to assist on a smaller scale business start-ups and higher risk ventures such as the development of new ideas from prototype through to commercial exploitation.

The fund would draw in investment capital primarily from the private sector to match European funding. There is no such fund already in existence on Merseyside. It is possible that more than one fund would need to be set up to meet different requirements. Both equity and loan capital might be provided, as well as direct grants for investment in plant, premises and machinery. While the fund might be targeted at identified growth sectors, it would not be confined to manufacturing industry and might embrace, for example, the arts and cultural industries.

ERDF support is available for:

- support for the costs of providing loans for new investment schemes (interest rate rebates, repayment holidays, loan guarantees, support for extra risk elements of schemes, other costs of providing 'soft' elements of loans); ERDF may not form part of the capital of a loan fund.
- support for equity participation in new and existing ventures.
- grants for new investment schemes.
- support for Business Angel-type schemes.

Diagnostic and consultancy services

Lack of time and financial resources available to the small firm owner/manager means that managerial expertise in specific areas is often weak. Training for managers and the workforce within SMEs is provided for in other measures within priorities 2 to 4. There is however a need to provide assistance with SME needs for strategic planning in the fields of management, finance, sales and marketing and other business functions.

SMEs tend to be disadvantaged in the market place, in particular through the cost of collecting and analysing business information, which impinges more heavily on them than other larger companies.

ERDF support is available for access to information services, business awareness seminars, business counselling and diagnostic services, and promotion of management best practice. Assistance would also build on initial diagnostic work to provide consultancy support and other services to enable businesses to implement the recommendations flowing from the initial analysis, or to provide an injection of management expertise by appointment of non-executive directors.

ERDF support is available for co-financing DTI expenditure on the schemes listed below in a way which will deliver additional support for Merseyside SMEs:

- Pump-priming business links to enable them to offer an increased range and intensity of quality services to SMEs and to be more proactive in their approach. This will be achieved by increasing the numbers of personal business advisers, marketing assistance, database access, marketing/seminar facilities and local outlets. Expenditure on Merseyside of UKL 2.5 million over three years will be doubled by ERDF support.
- Enterprise support to enable a wider range, depth and coverage of advice and information services, business counselling, health checks, and business seminars for SMEs. Expenditure on Merseyside of UKL 4.7 million over six years will be doubled by ERDF support. This service will be delivered by business links when they are operational and by TECs prior to that.
- Diagnostic and consultancy services to allow an increased coverage and intensity of diagnostic and consultancy services and the highest percentage rate of grant to SMEs on Merseyside. Expenditure on Merseyside of UKL 1.6 million over six years will be doubled by ERDF support.
- Managing in the 1990s to allow an increased number of business seminars and other management best practice activities to take place. Expenditure on Merseyside of UKL 0.09 million over six years will be doubled by ERDF support.

The Monitoring Committee will receive and consider annual reports of outputs from these schemes together with details of the level of funding made available to them from the ERDF. Modifications or successors to these schemes resulting from evaluations will also be co-financed within the overall financial envelope mentioned above, on the basis of a doubling through ERDF of support to Merseyside.

Any ERDF resources not taken up will be available for locally initiated measures.

Business links, their participating agencies and other intermediaries working where appropriate with business links will be eligible to apply for support.

Marketing assistance

Studies have shown that Merseyside has weaknesses in its marketing and export performance, both overseas and to the rest of the UK. There is scope for increased assistance for SMEs building on the services currently offered by the DTI, chambers of commerce and other organizations. ERDF support is available for:

- consultancy support for marketing.
- help with information and strategic planning on marketing opportunities.
- assistance for establishing joint ventures with other firms in the EC, and identifying opportunities in the single market.
- establishment of common marketing services amongst groups of SMEs, including promotional literature, market research and prospecting, initial follow-up of marketing opportunities.

Aid for the normal operating costs of businesses is not eligible for support.

Developing supplier and business networks

The key corporate sector on Merseyside includes many world-class firms. They carry out substantial investments every year, involving purchases of supplies and services both within and from outside the region.

Similarly, there is a very large volume of public sector contracts awarded, not only within the North West, but also in the wider EC market. Opportunities have been increased by the liberalization of public procurement markets throughout the EC.

Local SMEs need to be able to take full advantage of these opportunities.

ERDF support is available for:

- support for improved networking between customers and suppliers to increase opportunity for local supply through the sharing of information on business opportunities, in both public and private sectors, including supplier databases/capacity registers, technical expertise, bench marking and best practice.
- business mentoring support through some form of inter-company network.

Industrial quality and design

A more competitive industrial and service sector requires constant improvements in the quality of investments, products, services and organization.

ERDF support is available for:

- promotion and support of total quality systems, including consultancy and investment support.
- establishment of best practice or design centres.
- support for product design and testing.
- promotion of industrial quality awareness.
- quality certification assistance.

Assistance with industrial investment plans

As far as the industrial and services sectors are concerned more generally, further investment, whether inward or indigenous, is required to stimulate increased business confidence and help create a diverse and self-sustaining economic base with a wide range of employment opportunities across the skills range, including graduate level occupations.

There may be a case for using ERDF support to increase the rate of or complement public sector grant payable to new investment projects in order to encourage such investment including support for fixed investment in premises, plant and machinery. Support may also be appropriate for feasibility studies and other initial development and operating costs associated with the establishment of new businesses and relocation of expanding businesses.

Telecommunications links for SMEs

Merseyside does not lack a modern telecommunications infrastructure. It is probably as well served as any other part of the UK including the other major cities. It is also not lacking in major customers of advanced telecommunications. However, they are consumers rather than providers of telecommunications services and there has been no trickle-down effect from large companies to SMEs. SMEs need to see the effects of advanced telecommunication services in action in order to judge their relevance to their business.

There needs to be pump-priming of the development and demonstration of advanced telecommunication services, for example, in home-working applications, distance learning, supplier/customer networks, linking H/FELs with industry, business link information networks or improving accessibility generally for SMEs to other advanced telecommunication services. Demonstrators could be located in the public or private sectors.

ERDF support, which will draw in extra investment, is available for public sector bodies or SMEs to identify suitable demonstration applications and implement them.

These could include:

- development of telecom/ICT based value-added and telematics networks to support local sourcing and sub-contracting.
- teleport development to support local business.
- telematics links between local enterprises for collaborative working and general communication to achieve 'network strength'.
- value-added networks for information on new technologies, export and training opportunities.

Energy efficiency and environmental best practice for business

The adoption of energy efficiency and environmental best practice can reduce operating costs and increase efficiency. These gains aid competitiveness which in turn strengthens the region's productive economy.

Many of these measures, such as integrated pollution control, BS 7750 and eco-auditing can easily be adopted by major businesses but are often beyond the immediate financial, technological and managerial capability of many of the region's SMEs. Grant aid to assist SMEs can encourage and enable the adoption of these measures, strengthening the regional economy and creating new employment opportunities. However, grant aid alone may not be enough. It must be coupled with demonstration projects either in the public or private sector which will display the direct benefits to be obtained from energy best practice measures and equipment. This will provide tangible evidence for SMEs and encourage them to follow suit.

Energy efficiency will also contribute to reduced pollution levels and so contribute to sustainable development.

ERDF support is available for regional SMEs to undertake initiatives to adopt energy efficiency and environmental best practice.

ERDF support is also available to enable demonstration projects to be undertaken. Financial support will be made to a body or bodies working in conjunction with the private sector to carry out the activities described above.

Objectives

To encourage the establishment, development and improved competitiveness of indigenous and growing SMEs.

To encourage additional private sector investment and growth in Merseyside SMEs.

To encourage the creation and preservation of long-term employment opportunities.

To promote the concept of quality within Merseyside and establish Merseyside as an area where business is committed to quality.

To maintain Merseyside's industrial SME base.

To improve networking between businesses and other agencies to share experience and benefit from new market opportunities.

To increase accessibility and take up of advanced telecommunications services among SMEs.

To reduce production costs and increase the energy efficiency of Merseyside companies.

Description

The description of priorities and eligible activities is included under each type of scheme listed above.

ERDF support is available for the private sector for new investment.

ERDF support is also available to create or enhance investment incentive and other business support schemes. ERDF support may not be used to reimburse existing or planned expenditure.

ERDF may also be used to support the costs of providing loans for new investment or innovation schemes (interest rate rebates, repayment holidays, support for the extra risk elements of schemes, other costs of providing 'soft' elements of loans). This support must be for new schemes, or provide demonstrably additional benefits in the form of enhancements to existing schemes. ERDF may not form part of the capital of a loan fund.

Private sector firms may apply directly to the programme for Structural Fund support. This will be appraised and administered through bodies designated by the Programme Monitoring Committee.

Any element of State aid must be on a scheme approved by the Commission.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

This measure will deliver:

- 180/300 cases of business advice or assistance.

The following variables will be monitored during the programme:

- jobs created or safeguarded.
- telecommunications demonstrator projects.
- number of SMEs embracing quality and best practice.
- energy efficiency demonstrator projects.

The impact will be:

- increased leverage of private sector investment.
- improved SME start-up and survival rates.

Timetable

Six years, subject to annual review.

Cost

Assistance will always be the minimum required to ensure that projects are carried out. The financial plan of this measure is given in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

Final beneficiaries

Companies on Merseyside, with priority for SMEs.

Action for industry: Indigenous enterprise and local business development

Measure 3: Support for the specific training needs of SMEs

Rationale and description

The Merseyside economy has experienced substantial decline, and the weakening economic base in the region makes it difficult for enterprises to prosper. The local economy has not had a sufficient increase in new growth sectors to offset the decline in traditional sectors.

Small and medium-sized enterprises on Merseyside are constantly adapting to changes in markets and production conditions. To respond to these conditions, they need access to labour with the right skills at the right time.

ESF support for extra training carried out in or by companies is a good way of ensuring that public sector activity is closely geared to the needs of the market.

Similarly, providing SMEs with access to people with the relevant skills means that training activity for the workforce generally needs to be closely linked to business needs.

The EC labour force survey estimates that around 70 000 employees on Merseyside are in receipt of training, either within their companies, or at colleges away from work. This is just 15% of those in employment in the region.

In order to meet the skills needs of SMEs, the ESF may contribute to the costs of measures to increase training purchased or carried out by employers, or carried out by other organizations to meet business needs of SMEs. This will also help to raise the level and pertinence of the qualifications of the workforce on Merseyside. SMEs own expenditure should in most cases form part of the co-financing plan for this measure as a whole. The ESF will not be used to substitute for expenditure normally undertaken with employers' or other organizations own funds.

This measure provides a wide ranging of support to help improve the competitiveness of SMEs through developing the skills of their people. This may include:

- training audits to establish skilled needs, support to draw up and implement training plans and to achieve investors in people;
- support for apprenticeships, upgrading the skills of trainers, supervisors and managers and the development of business and financial management skills;

- support to improve marketing, language, design and quality control (especially within production and service systems) skills and to help SMEs' bid for public procurement or corporate sector contracts;
- support with network initiatives to access new training techniques, to help smaller business share facilities, expertise and address common training needs;
- helping people establish new SMEs.

Objectives

To assist in the protection or creation of jobs.

To make the qualifications of the workforce more relevant to market needs, as identified in the SME training audits.

To improve SME business performance and increase competitiveness.

Description

Specific descriptions have been included under each of the schemes listed above.

In general, ESF support is available for:

- support for employers collectively and individually to get their own structures right and to network effectively, e.g. to draw up training plans, to commit to and achieve investors in people, to exchange information.
- support for employers to help young people achieve NVQs, including through apprenticeship schemes.
- recruitment and training packages; schemes that meet business needs as well as the needs of the long-term unemployed and other priority groups, will be given priority.
- support for training linked to projects set up with ERDF support.
- direct training where it improves an employer's capacity to train its own workers, e.g. through trainer training or upskilling supervisors/management.
- pump-priming for companies to start employee development programmes.
- graduate recruitment and retention measures.
- vocational training in a number of clearly-defined circumstances carried out by or paid for by companies for their employees to obtain qualifications in skills in shortage on the local labour market, as identified in the SME training audits, including access to new training techniques.
- business start-up support, including employment aids, alongside an after-care service of advice, counselling and training support for individuals establishing new businesses in their first year of operation.

Skills in shortage on the local labour market will be identified and reviewed in the light of the SME training audits, within the overall regional skill needs studies.

Private sector firms may apply directly to the programme for Structural Fund support. This will be appraised and administered through bodies designated by the Programme Monitoring Committee.

To receive funding, projects must either be schemes that would not be undertaken without grant aid, or would be implemented only in a reduced form and/or at a slower pace than can be achieved with grant aid.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

Quantified objectives for the measures supported by the ESF are specified for the Merseyside Objective 1 programme as a whole in section 2.3 — 'A strategy for investing in the people of Merseyside'.

The number of interventions in companies supported by the ESF under this measure during the lifetime of the programme is estimated to be 6 200.

This measure will deliver:

- an increased number of companies who have a company training plan and start employee development programmes.
- an increased number of companies committing to and achieving investors in people.
- an increased number of trainers/supervisors/managers trained.
- an increased number of new training techniques and networks used by SMEs.

The impact will be:

- an increased number of individuals trained in skills identified in SME audits to NVQ or equivalent qualifications, including in marketing, language, design and quality control skills.
- leverage of private sector investment in industrial skills training.
- an increase in the number of new SMEs started.

Timetable

Six years, subject to annual review.

Cost

Assistance will always be the minimum required to ensure that projects are carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authority

The Programme Monitoring Committee.

Final beneficiaries

Self-employed people with their own businesses, the managers and employees of companies on Merseyside with less than 250 employees, any people on Merseyside following courses in the skills identified in the measure, and also in skills identified from the SME training audits, or wishing to start their own businesses.

Action for industry: Indigenous enterprise and local business development **Measure 4: The farming sector and food industries on Merseyside**

Rationale

Merseyside is a heavily industrialized and urbanized region. The overwhelming majority of the population live and work in urban areas. However, rural areas of the region provide valuable environmental, leisure and tourism resources which are at present underexploited. Sensitive development could enhance Merseyside's image attracting investors, promoting tourism and diversifying the economic base of the region.

Agriculture is not a major employer in the region, but is an important industry in terms of output — approximately UKL 40 million per annum.

Agriculture on Merseyside in 1992 employed just over 1 500 people, mostly farmers, their families or salaried managers. There are 501 agricultural holdings on Merseyside, covering 19 700 ha. The quality of agricultural land is high, with 50% being in the top two grades. Arable farming accounts for 43% of the total, horticulture 18%, cattle and sheep 12%, pigs and poultry 7%, dairy 6%, non-classified 14%. While this structure has remained fairly stable, the number of farm businesses has declined, as has net farm income. The geography of Merseyside leads to extensive urban fringe areas with additional pressures in trying to produce high-value crops. Most farms are owner-occupied, though at a level below the national average.

Action is proposed which will enable farm businesses in the area to adjust to changing market conditions and contribute towards the enhancement of the environment through conservation of environmental features and their development through such activity as woodland planting. Encouragement will also be provided to farmers to convert resources to non-agricultural activity and to improve existing marketing structures and management skills to meet the evolving situation.

The food processing industry is a major employer and faces particular structural problems. The EAGGF can supply direct help for a range of investments carried out by the food processing sector.

Activity will be supported which leads to the upgrading of plant and equipment associated with food processing and the skilling of staff to enable their products to be competitive in the market place.

In addition to Objective 1 support, the EAGGF (Guarantee Section) provides support under Regulation (EEC) No 2078/92 for the agri-environment package, and under Regulation (EEC) No 2080/92 for the farm woodland premium Scheme.

Objectives

To improve the efficiency of farm holdings and conserve environmental features through investment aid.

To enable farmers to remain competitive in an increasingly market-oriented agricultural sector by enhancing business skills and encouraging collaborative marketing activity.

To enable farmers to diversify their business activities, for example to include recreation and tourism.

To encourage the sensitive management of farmland and the development of countryside management practices which enable farmers to cope better with pressures on the environment arising from, for example, increasing demands for access by the urban population.

To enable the food processing sector to improve its competitive position through skill training and aid towards upgrading plant and equipment.

Description

On-farm investments

Farm improvement plan

This is a capital grants scheme which operates within the specific terms laid down in Council Regulation (EEC) No 2328/91. Aid under this programme covers investments aimed at cutting costs and helping to achieve good countryside management.

Under the programme, a full-time farmer who meets certain requirements regarding training and experience and whose income per man work unit (MWU) does not exceed the reference income for non-agricultural workers (UKL 15 100 in 1993), may undertake a farm improvement plan. Provided the plan is capable of maintaining the farmer's income per MWU, they will be entitled to receive grant aid for eligible investment included in the plan.

The present number of full-time farmers on Merseyside is 936.

Since the farm improvement programme began in 1986, 24 farm plans have been completed with an average life span of four years, and one plan is still being implemented. It is estimated that public expenditure will continue at existing level i.e. ECU 26 000 public expenditure, ECU 6 500 for EAGGF (Guidance Section).

The food industry on Merseyside

As required under Article 3 of Regulation (EEC) No 866/90, objectives, sector plans must be supplied and defined by the national authorities.

An outline sectoral plan for the food sector on Merseyside has been submitted to the Commission. The information provided is incomplete and justification for the sectors is drawn from the overall submission for England. The information provided must be expanded so that examination of the sectoral plan can be completed. An indicative allocation of ECU 2.4 million of EAGGF funding is allocated to this measure. The rate of Community funding will be 35% of the total eligible cost. Projects approved must be in conformity with the selection criteria set out in Commission Decision No 94/173/EEC. The funding of this measure

is conditional on the United Kingdom supplying all outstanding information required within one month of the publication of this document. The actions proposed will be examined for conformity with Regulation (EEC) No 866/90 in the framework of the partnership.

Outputs: Physical and performance indicators will be agreed in the partnership and will have a similar format to those agreed for the other Objective 1 regions of the United Kingdom.

Farm business diversification

A scheme for diversification of farm businesses is proposed in order to improve farm income. Activity to be aided includes support for:

- the conversion of redundant farm buildings to non-agricultural activity.
- collaborative marketing of tourism, sport and recreation activities based on the rural environment.
- new and improved cropping for industrial support.
- improved standards in farm shops.
- advice and training to eligible farm businesses.

Rate of aid: 35% of eligible cost.

EAGGF participation: 50% of public expenditure.

The maximum eligible investment per farm is UKL 45 000 for capital works.

Outputs will include the number of farmers participating; and the output of new industrial products.

Countryside management and environmental enhancement of farms

This scheme aims to enhance the environmental and leisure value of the rural parts of the region. In the urban fringe areas of Merseyside a better appreciation of the rural environment will benefit both urban dwellers and farmers alike, providing access for the former and improved relations and income potential for farmers. Measures under this scheme are complementary to measures approved under Regulation (EEC) No 2078/92. Duplication of Community funding will be avoided. Projects eligible under Regulation (EEC) No 2078/92 will be funded under that Regulation.

The measures are based on a four-year integrated management plan for farmers focusing on four elements:

- environmental features;
- farming operations to maintain the environment;
- public access;
- interpretations.

Rate of aid: 35% of eligible cost.

EAGGF participation: 50% of public expenditure.

Aid is available for protection, maintenance and enhancement of various vernacular and environmental features of the countryside.

The maximum eligible investment per farm is to be determined by research.

Outputs will include the number of farmers participating and the area of land involved; the number of visitors; farmer investment in environmental elements.

Indicative allocation for farm diversification and countryside management measures is ECU 0.5 million.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Timetable

Six years, subject to annual review.

Cost

Assistance will always be the minimum required to ensure that projects are carried out. While financial detail has been given for individual components of this measure, in accordance with the specific Regulations involved, a global allocation for the measure is indicated in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

Final beneficiaries

Farmers and the food processing industry on Merseyside.

3. Action for industry: Knowledge-based industries and advanced technology development

This priority consists of four measures designed to support the development of Merseyside's important knowledge-based industries, including advanced technologies.

Within an overall framework set by the Merseyside research, development and innovation strategy, a package of support is provided designed to meet the technology needs of businesses on Merseyside. This includes support for product development, links between educational institutions and industry, and specific skills support.

Special emphasis is given to the opportunities available for the development and use of clean technologies, as well as support for environmental skills.

The situation of Merseyside compared to the European average in respect of a number of key variables of relevance to this sector is as follows:

- gross expenditure on R&D as a percentage of GDP.
- business expenditure on R&D as a percentage of GDP.
- R&D personnel in the business sector as a percentage of the total labour force.
- graduates with higher education degrees in science and technology as a percentage of all degree holders.

No statistics are currently available for Merseyside concerning these variables. The Commission is supporting the collection of the necessary statistics by CSO, and these are expected to become available in 1995.

The key objectives of this priority are:

- to increase gross expenditure on R&D as a percentage of GDP.
- to increase business expenditure on R&D as a percentage of GDP.
- to increase R&D personnel in the business sector as a percentage of the total labour force.

As a result of schemes supported by Structural Funds:

- to advise or assist 2 500 SMEs.
- to develop 55 300 m² of new technology floorspace.
- to create 4 900 permanent jobs, directly and indirectly.

Other outputs or objectives will be defined and reviewed by the Monitoring Committee in the light of the results of the research, development and innovation strategy.

Specific objectives and outputs are given, where possible, for each measure, showing how they will contribute to the overall objectives of the priority.

Action for industry: Knowledge-based industries and advanced technology development

Measure 1: Research, innovation and technology development for business needs

Rationale and description:

Merseyside research, development and innovation strategy

Merseyside already has a number of established bodies with particular strengths in the research, development and innovation fields. The two universities, the Merseyside Innovation Centre and Nimtech are all key players. These bodies and the private sector companies which undertake research on Merseyside all have their own objectives. Nonetheless they work in partnership with each other and with bodies outside the region and overseas on an *ad hoc* basis.

The creation of a modern, diverse economic base on Merseyside will depend on achieving growth in sectors with high potential and high value-added in innovation and new technology. There will be a need to take a long term view of such sectors; to ensure that the right environment is created and the right skills are available; to build on existing strengths; and to encourage greater networking within the region, particularly with SMEs so that the results of research are transferred into commercial applications.

This measure aims to provide a strategic context for research and development actions supported by the Structural Funds on Merseyside.

The strategy would cover all aspects of research, development and innovation, including establishing levels of capability and provision of existing activity, training and skill needs; it would identify strengths and weaknesses; highlight potential growth areas; document networking possibilities within the region and externally; and propose action to be taken over the lifetime of the Objective 1 programme, including synergy with other measures.

The strategy will be kept under review and updated periodically.

Other actions

The economy of Merseyside has to become diverse, market-oriented and export-driven. Firms in the region must be able to use new technologies and adapt to market change.

It has become increasingly clear over the past decade that the rapid advances in world technology have not been fully taken up by industry in the region, particularly SMEs. A number of related measures are put together in this package to help overcome this weakness.

These include:

- support for new product and process development.
- a more commercial application of research activity.
- helping local firms participate in national and international research programmes.
- developing centres of excellence in flagship technologies.
- developing incubation centres.

The objectives and content of these activities are outlined below.

Assistance with new product and process development

Other measures in the Merseyside Objective 1 programme are intended to help the private sector bring forward their investment plans. In order to encourage greater take-up of new technologies by firms in the region, this measure will give support to SMEs to increase their technological competitiveness by assisting with the development of new products and processes.

The aim is to raise the new technology content of the investment growth that is expected to be generated by the other measures in the programme.

ERDF support is available for:

- feasibility studies into the development of new products and processes embodying new technologies; these may be at the pre-competitive stage, or directly linked to commercial applications.

- technology and innovation audits for SMEs.
- assistance with collaborative research and development to help develop large scale strategic projects.
- assistance for investment, either in the form of grants or loan equivalents, in new product or process development.

ERDF support is available for co-financing DTI expenditure on the schemes listed below in a way which will deliver additional support for Merseyside SMEs:

(i) Support for products under research (SPUR): Expenditure on Merseyside of UKL 2.7 million over six years will be doubled by ERDF support to allow a higher percentage rate of grant and a higher level of maximum award (subject to approval by the Commission under the rules on state aid) and increased availability of funding on Merseyside.

(ii) Small firms merit award scheme (SMART): Expenditure on Merseyside of UKL 2 million over six years will be doubled by ERDF support to allow more awards to be made and scope for extension of the scheme to meet local needs to be considered.

(iii) Business link technology counsellors: Expenditure on Merseyside of UKL 0.225 million over 18 months will be doubled by ERDF support to provide twice as many counsellors in each business link.

(iv) Teaching company scheme: Expenditure on Merseyside of UKL 2.7 million over six years will be doubled by ERDF support to provide new mechanisms to promote awareness of the scheme to Merseyside SMEs and tailor it more effectively to their needs.

The Monitoring Committee will receive and consider annual reports of outputs from these schemes together with details of the level of funding made available to them from the ERDF. Modifications to or successors to these schemes resulting from evaluations will also be cofinanced within the overall financial envelope mentioned above, on the basis of a doubling through ERDF of support to Merseyside.

Any ERDF resources not taken up will be available for locally initiated measures.

The aim of these actions is to assist schemes so that local businesses, and SMEs in particular, can obtain commercial benefit from their activities and increase their competitiveness.

Support for a more commercial application of research activity

Merseyside needs to ensure that its further, higher education and research establishments maintain and increase their links with industry so that activity closely focused on the needs of local businesses plays an increasingly important part.

Industry also needs to develop closer contacts with these establishments and a greater understanding of their activities.

A range of actions can be implemented with ERDF support to help achieve these aims.

The ERDF may assist the establishment of centres of excellence in key technologies for Merseyside to help develop commercial applications of research.

ERDF support is available for:

- the setting-up and operation of consortia and other bodies which foster and promote cooperative technology transfer between education and research bodies and companies, including between companies in the key corporate sector and SMEs.
- the costs of applying commercially the results of research carried out in the region, through the purchase of equipment, advice and technical expertise.
- the costs of studies into the technology requirements of Merseyside industry.
- the injection of technological expertise into SMEs.
- the establishment of centres of excellence in key technologies for Merseyside.
- the costs of information exchange of research results between companies and research establishments.
- the costs of research studies undertaken by SMEs.

Help with participation in research programmes

Merseyside companies already have links with a number of EC research programmes, and have benefited from the collaboration and contacts that these bring. However, this has tended to involve primarily the universities in the region, with little involvement from companies, especially SMEs.

Developing more links with research programmes, with greater participation from the private sector can help to strengthen the competitiveness of Merseyside industry.

In order to maintain these links, and extend them to other national or international programmes, there is scope for public sector assistance with preparation costs.

ERDF support is available for:

- costs of searching for suitable research partners.
- costs of presentations to research partners.
- costs of information exchange and networking.
- assistance with contract negotiations.

Incubation centres

To foster the development of new technologically-based businesses, some of which will have been encouraged by spin-offs from other measures in this priority, assistance will be given to providing high-quality accommodation.

This would offer access to specialist advisory services, shared business services and proximity to research and development establishments, other companies operating in the same field, and centres of excellence.

ERDF assistance will involve:

- grants to construct and equip incubation centres.

- grants to provide support services.

Objectives

Merseyside research, development and innovation strategy

- To establish a plan of action on R&D and innovation on Merseyside which will identify gaps in market opportunities and areas of potential growth.
- To build on and add to existing strengths and networks.
- To propose measures which will assist the creation of a modern and diverse Merseyside economy through the increased exploitation of R&D and innovation into commercial applications.
- To provide a framework within which the R&D and innovation business support, infrastructure and training measures can be implemented.

Other actions

- To lever in additional private sector investment to Merseyside in new technologies.
- To raise the competitiveness of Merseyside firms.
- To allow industry to define and develop its R&D needs.
- To raise the awareness of business needs among research establishments.
- To increase participation of Merseyside firms in national and international research projects.
- To provide appropriate facilities for new technologically-based companies.
- To help SMEs to improve their use of new technologies.
- To help raise the scale of R&D activity by assisting with collaborative projects.
- To increase long-term employment opportunities in growth sectors.

Description

Detailed descriptions of the various types of activity eligible for ERDF support are contained in the individual schemes listed above.

Private sector firms may apply directly to the programme for Structural Fund support. This will be appraised and administered through bodies designated by the Programme Monitoring Committee.

ERDF aid may be used to create new schemes or enhance existing schemes. ERDF support may not be used to reimburse existing or planned expenditure.

To receive funding, projects must either be schemes that would not be undertaken without grant aid, or would be implemented only in a reduced form and/or at a slower pace than can be achieved with grant aid.

Any element of state aid must be on a scheme approved by the Commission.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

This measure will deliver:

- 1 900 SMEs assisted.
- data on existing and potential strengths and weaknesses in the region.
- a clear plan of action for the region to make the best use of Structural Fund resources.

The impact will be:

- leverage of extra private sector investment in new product or process development.
- greater awareness of business needs among research establishments.
- an increase in SME take-up of new technologies.
- an increase in Merseyside firms' participation in collaborative research projects.

Timetable

Six years, subject to annual review.

Cost

Assistance will always be the minimum required to ensure that projects are carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

Final beneficiaries

Private sector firms and organizations, H/FEIs, public sector and other organizations on Merseyside.

Action for industry: Knowledge-based industries and advanced technology development

Measure 2: Specific training for new technology skills

Rationale and description

In order for companies to capitalize on developments in technology and enhance their competitiveness, efforts need to be made to maximize the potential for business to benefit from the specialist skills of higher education and research, science and technology establishments. This is especially important for SMEs and high technology-based firms, which need access to skills in the right technologies and at the right level.

There is a perception that research and educational institutions are remote from business needs. There is scope to complement targeted training for business needs by actions which foster greater links between the two sectors.

There also needs to be action to encourage awareness of the opportunities offered for employment in the science and new technology industries. Schools need to be targeted so that potential labour market entrants on Merseyside consider opportunities in this field more readily.

These training and labour market actions need to be complemented by support for premises and equipment in the advanced technologies.

In order to meet the skills needs of companies, the ESF may contribute to the costs of measures to increase training purchased or carried out by employers, or carried out by other organizations to meet direct business needs. This will help to raise the level and pertinence of the qualifications of the workforce on Merseyside. Employers' own expenditure should in most cases form part of the co-financing plan for the measure as a whole. The ESF will not be used to substitute for expenditure normally undertaken with employers' or other organizations own funds.

This measure provides a package of specific skills support in new technologies for SMEs and the business sector on Merseyside generally.

Encouragement of science and technology in schools and other educational institutions

In order to familiarize potential labour market entrants on Merseyside with science and technology, and to encourage them to think about opportunities in these fields, there is scope for targeted action in schools and other educational institutions which provide science/technology training for labour market entrants.

ESF support is available for:

- support for the costs of companies and other educational institutions in providing information on science and technology opportunities for young people at or leaving school, with particular attention paid to equality of opportunity between men and women.
- support for the costs of exchange of personnel/students or familiarization visits between schools, other educational establishments and industry.

The specific new technology skill needs of industry

The competitiveness of Merseyside industry depends crucially in the long term on upgrading the technological content of production.

ESF support is available for:

- support for the costs of training courses designed to respond to specific high-level skill needs in the new technologies, identified through the overall R&D strategy.
- support for post graduate scholarships in HEIs on Merseyside, with specific links to Merseyside skills needs, as identified in the overall R&D strategy.
- support for the costs of taking on graduates and other highly-qualified personnel in companies, where there is a demonstrable need for support.

Industry-education technology training links

The development of wider links between the needs of industry and educational establishments is covered at a general level in priority 5, measure 5.

ESF support is available for:

- training for the management of technology transfer or incubator centres.
- support for the costs of skill transfers between SMEs for the specific skills covered in this measure, including support for smaller employers to network together, and with larger companies, and share facilities and expertise.

Advanced technology training centres

In order to complement ESF activity in this field, there may be a need for specialized premises and equipment for training in new and advanced technologies. These must be directly linked to identified market needs.

ERDF support is available for:

- support for the costs of providing premises and equipment for specific training needs, especially those funded by ESF on Merseyside, in the new and advanced technologies; these investments must be directly related to market needs, as identified through the overall R&D strategy.

Objectives

To encourage the taking of science and technology options among school-leavers.

To transfer knowledge and expertise between firms and educational/research establishments.

To increase the number of people with technological qualifications relevant to the needs of firms on Merseyside.

To encourage the recruitment of appropriately qualified personnel to firms.

To encourage graduate retention and opportunities in the region.

To foster innovation and the use of new technologies in SMEs, in order to improve SME business performance and increase competitiveness.

To provide training facilities and equipment directly related to specific business needs.

Description

Specific descriptions have been included under each of the schemes listed above.

In general, ESF support is available for:

- support for employers collectively and individually to get their own structures right and to network effectively, e.g. to draw up training plans, to commit to and achieve investors in people, to exchange information.
- support for employers to help young people achieve NVQs, including through apprenticeship schemes.
- recruitment and training packages; schemes that meet business needs as well as the needs of the long-term unemployed and other priority groups, will be given priority.
- support for training linked to projects set up with ERDF support.
- direct training where it improves an employer's capacity to train its own workers, e.g. through trainer training or upskilling supervisors/management.
- pump-priming for companies to start employee development programmes.
- graduate recruitment and retention measures.
- steps to encourage closer links between education and business.
- vocational training in a number of clearly-defined circumstances carried out by or paid for by companies for their employees to obtain qualifications in skills in shortage on the local labour market, as identified in the SME training audits, including access to new training techniques.

ERDF support is available for:

- provision of premises and training equipment directly related to specific business needs.

New technology skills in shortage on the local labour market will be identified and reviewed in the light of updates of the overall R&D strategy.

Private sector firms may apply directly to the programme for Structural Fund support. This will be appraised and administered through bodies designated by the Programme Monitoring Committee.

To receive funding, projects must either be schemes that would not be undertaken without grant aid, or would be implemented only in a reduced form and/or at a slower pace than can be achieved with grant aid.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

Quantified objectives for the measures supported by the ESF are specified for the Merseyside Objective 1 programme as a whole in section 2.3 — 'A strategy for investing in the people of Merseyside'.

The number of interventions in companies supported by the ESF under this measure during the lifetime of the programme is estimated to be 2 300.

This measure will deliver:

- an increased number of companies who have a company training plan and start employee development programmes.
- an increased number of companies committing to and achieving investors in people.
- an increased number of personnel exchanges between education and industry.
- an increase in the training premises capacity of the region in new technology skills related to market needs.

The impact will be:

- an increased number of individuals trained in new technology skills identified in SME audits to NVQ or equivalent qualifications.
- leverage of private sector investment in new technology skills training.
- increased number of science and new technology graduates retained on Merseyside.

Timetable

Six years, subject to annual review.

Cost

Assistance will always be the minimum required to ensure that projects are carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authority

The Programme Monitoring Committee.

Final beneficiaries

Self-employed people with their own businesses, the managers and employees of companies on Merseyside with less than 250 employees, any people on Merseyside following courses in the skills identified in the measure, and also in skills identified from the overall R&D strategy; H/FEIs on Merseyside; public or private sector organizations providing accommodation and equipment for advanced technologies.

Action for industry: Knowledge-based industries and advanced technology development

Measure 3: Developing clean technologies, and increasing environmental awareness on Merseyside

Rationale

Clean technologies

The adoption of clean technologies contributes to energy efficiency and can reduce operating costs of SMEs.

The development of new ideas and technologies linked to energy efficiency and environmental best practice also represent new product areas in a fast-growing market which regional SMEs can exploit. Often these areas require considerable research before new products or processes can be marketed. The region's institutes of higher and further education (H/FEIs), in partnership with business, are well placed to undertake this research and transfer the resulting technology to regional SMEs. Support for research programmes and the subsequent transfer of the results would also help to retain graduates in the region and offer them new employment opportunities both within H/FEIs and in SMEs.

Energy efficiency will also contribute to reduced pollution levels and so contribute to sustainable development.

Environmental awareness

There is a demand within industry and beyond for practical help with identifying and implementing the requirements of EC legislation in the fields of environmental management, environmental audit and eco-labelling. This includes in particular the requirements of Council Directive 85/337 on the assessment of the effects of certain public and private projects on the environment.

There is a need to increase awareness of the rationale and requirements of the legislation, to foster exchange of information and best practice and to provide technical assistance and advice for preparing environmental assessments.

Objectives

To strengthen the regional economy and create new jobs.

To increase the research capacity of regional H/FEIs and SMEs in these key areas.

To reduce harmful emissions.

Description

ERDF support is available for regional H/FEIs and SMEs to undertake research, whenever possible in partnership with the private sector, into clean technologies. This includes assistance with the identification and adoption of newly emergent technologies which could have a ready and rapid uptake to improve efficiency and operating costs of SMEs. If research is undertaken by a HEI alone, the results must be published and made available to regional SMEs at nominal cost.

Grants may be made available to SMEs to undertake commercial applications in clean technologies.

Private sector firms may apply directly to the programme for Structural Fund support. This will be appraised and administered through bodies designated by the Programme Monitoring Committee.

Grants may also be made available for information exchange in the clean technology field, including projects which make use of the role of larger companies in technology transfer.

Grants may also be made available for organizations involved in preparing environmental impact assessments, or with an interest in environmental impact, for the organization of seminars/workshops, exchange of information, demonstration projects, research into new techniques and technical assistance with preparing assessments.

To receive funding, projects must either be schemes that would not be undertaken without grant aid, or would be implemented only in a reduced form and/or at a slower pace than can be achieved with grant aid. Reimbursement of expenditure on existing schemes is not eligible.

Any element of State aid must be on a scheme approved by the Commission.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

The impact of this measure will be:

- more SMEs assisted.
- more commercial applications of clean technologies.
- increased awareness of environmental assessment needs.
- increased awareness of EC environmental legislation.

Timetable

Six years, subject to annual review.

Cost

Assistance will always be the minimum required to ensure that projects are carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

Final beneficiaries

H/FEIs and SMEs on Merseyside.

Action for industry: Knowledge-based industries and advanced technology development Measure 4: Specific training for environmental skills

Rationale

Clean technologies and environmental activities are key growth sectors for the future.

Merseyside firms and educational and research establishments need to be able to take advantage of these opportunities.

They will not be able to do so without access to and development of the right skills.

Two main areas are identified where there is scope for measures to help encourage environmental skills:

- new techniques in environmental management, clean technologies, energy efficiency and pollution control.
- the construction industry, which could benefit from an upgrading of skills to take account of new environmental techniques.

In order to raise and adapt the skills of the workforce, as well as to meet the needs of companies, the ESF may contribute to the costs of measures to encourage training purchased or carried out by employers, or carried out by other organizations to meet specific business needs. This will help to raise the level and pertinence of the qualifications of the workforce on Merseyside. The ESF will not be used to substitute for expenditure normally undertaken with employers' or other organizations own funds.

This measure provides a package of awareness schemes and specific skills support for environmentally-related activities for SMEs and the business sector on Merseyside generally.

Training for new techniques in environmental management, clean technologies, energy efficiency and pollution control

To accompany the business support activities in the environmental field, SMEs need access to the right skills.

ESF support is available for:

- support for the costs of training carried out in SMEs or by training providers in response to specific skills needs identified through training audits or other means in the fields of environmental management, clean technologies, energy efficiency and pollution control.

Better standards in the construction industry: training in new techniques

The construction industry on Merseyside has an opportunity to upgrade quality by investing in skills, particularly those in the environmental field.

Objectives

To make the qualifications of the workforce more relevant to market needs in the environmental management, clean technology, energy efficiency and pollution control fields.

To improve SME business performance and increase competitiveness in the environmental and construction sectors.

To assist the protection or creation of jobs.

Description

Specific descriptions have been included under each of the schemes listed above.

In general, ESF support is available for:

- support for employers collectively and individually to get their own structures right and to network effectively, e.g. to draw-up training plans, to commit to and achieve investors in people, to exchange information.
- support for employers to help young people achieve NVQs, including through apprenticeship schemes, e.g. in the construction industry.
- recruitment and training packages; schemes that meet business needs as well as the needs of the long-term unemployed and other priority groups, will be given priority.
- support for training linked to projects set up with ERDF support.
- direct training where it improves an employer's capacity to train its own workers, e.g. through trainer training or upskilling supervisors/management.
- pump-priming for companies to start employee development programmes.
- graduate recruitment and retention measures.
- vocational training in a number of clearly-defined circumstances carried out by or paid for by companies for their employees to obtain qualifications in skills in shortage on the local labour market, as identified in the SME training audits, including access to new training techniques, and including the costs of training for new skills in construction techniques, particularly those in the environmental field.

Private sector firms may apply directly to the programme for Structural Fund support. This will be appraised and administered through bodies designated by the Programme Monitoring Committee.

To receive funding, projects must either be schemes that would not be undertaken without grant aid, or would be implemented only in a reduced form and/or at a slower pace than can be achieved with grant aid.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).

- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

Quantified objectives for the measures supported by the ESF are specified for the Merseyside Objective 1 programme as a whole in section 2.3 — 'A strategy for investing in the people of Merseyside'.

The number of interventions in companies supported by the ESF under this measure during the lifetime of the programme is estimated to be 800.

This measure will deliver:

- an increased number of companies who have a company training plan and start employee development programmes.
- an increased number of companies committing to and achieving investors in people.
- an increased number of individuals trained in environmental and construction skills to NVQ or equivalent qualifications in environmental management, clean technologies, energy efficiency and pollution control.
- an increased number of individuals trained in construction skills to NVQ or equivalent qualifications linked to SME needs.

The impact will be:

- an increased number of individuals trained in skills identified in SME audits to NVQ or equivalent qualifications, in the environmental skills and construction sector.
- leverage of private sector investment in environment and construction skills training.

Timetable

Six years, subject to annual review.

Cost

Assistance will always be the minimum required to ensure that projects are carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

Final beneficiaries

Public sector organizations, private sector, voluntary and consumer organizations; self-employed people with their own businesses, the managers and employees of companies on Merseyside with less than 250 employees, any people on Merseyside following courses in the skills identified in the measure; H/FEIs on Merseyside.

4. Action for industry: Developing the cultural, media and leisure industries

This priority consists of five measures designed to support the development of the cultural, media and leisure industries, which have particular strengths and potential in the region.

In parallel with the SME measures in general, a package of support is provided for premises, facilities and skills, although targeted on the particular needs of this sector.

Special emphasis is given to raising quality and standards in the industry.

The key objectives of this priority are:

- to increase the number of visitors to Merseyside from 1.53 million.
- to increase visitor spending on Merseyside from UKL 156 million.
- to increase the number of overnight stays from 3.5 million.
- to lever in extra private sector investment.

As a result of schemes supported by Structural Funds:

- to support 44 visitor attractions.
- to create 1 140 permanent jobs directly and indirectly.
- 210 700 m² of industrial/business/visitor space provided in the cultural/media sector.

Specific objectives and outputs are given, where possible, for each measure, showing how they will contribute to the overall objectives of the priority.

Action for industry: Developing the cultural, media and leisure industries Measure 1: The cultural and media industries of Merseyside: development of facilities for investors

Rationale

Merseyside has a vibrant arts and cultural industry sector of international standing. The central area of Liverpool now houses a number of major cultural institutions including the Tate Gallery, the National Museums and Galleries on Merseyside, St George's Hall, the Playhouse, Royal Court, Empire and Everyman Theatres, the Philharmonic Hall and the Bluecoat Arts Centre. The theatres have hosted a number of premiers by resident playwrights Willy Russell and Alan Bleasdale.

In film and television, Merseyside has become an established area for location shooting and a number of companies and agencies have grown up as a result. Merseyside TV has achieved acknowledged success in long running television series. There are also a number of small successful multi-media and graphic companies.

The legacy of the Beatles has extended beyond tourism into the Liverpool Institute of Performing Arts which will enable gifted students to train in all aspects of popular music and

performance and will reinforce Liverpool's standing as a world centre of music and popular culture. LIPA is being sponsored by Paul McCartney and was assisted by European Structural Funds through the 1989-93 phase of support.

The arts, cultural and media industries represent a major opportunity for expansion from a home-grown, indigenous Merseyside base.

To encourage maximum growth, Merseyside must have a stock of high quality services, sites and premises.

A stock of high quality, appropriate SME accommodation such as incubator units, studios, and move-on units, adapted to the needs of the cultural, arts and media sector, must also be provided on high quality sites if the survival rate of SMEs in the industry is to be increased.

Priority will be given to the reclamation of derelict sites and the upgrading of existing locations for uses which result in the creation of new jobs.

Objectives

To increase employment opportunities in cultural and media industries.

To encourage indigenous growth in the cultural and media sector and in particular increase the survival rate of SMEs.

Description

ERDF support is available for the following eligible works, which should form part of an overall site development package: land acquisition, feasibility studies, reclamation and the improvement and provision of on-site services, transport infrastructure, flood defence works, environmental works, security systems, business units and premises adapted to the needs of SMEs, workshops, with managed services as appropriate, exhibition/display facilities, film video sound recording studios, demonstration facilities, incubator and move-on units, on-site support services, rent guarantees, grants and general refurbishment. Pure retail activities are not eligible for support. ERDF support for land acquisition must be limited to a maximum of 10% of the total grant awarded to any scheme.

ERDF support is available for the public, private or voluntary sectors for eligible sites or premises investments or business support services in the cultural or media field. Sites or premises must be leased or sold at market prices. Any element of State aid must be on a scheme approved by the Commission.

Private sector firms may apply directly to the programme for Structural Fund support. This will be appraised and administered through bodies designated by the Programme Monitoring Committee.

To receive funding, projects must either be schemes that would not be undertaken without grant aid, or would be implemented only in a reduced form and/or at a slower pace than can be achieved with grant aid.

Support for the sector through networking or collective initiatives such as a Screen Commission, telecommunications or satellite links may be provided.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.

- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

This measure will deliver:

- 55/300 m² of industrial/business space provided for SMEs in the cultural/media sector.
- 190 permanent jobs created directly and indirectly.

The impact will be:

- an increased number of jobs in the cultural/media industries.
- increased private sector investment in SME sites and premises in schemes supported by the Structural Funds.
- increased occupancy rates of sites and premises.
- increased net firm births in the cultural/media sector.
- increased survival rate of SMEs in the cultural/media sector.

Timetable

Six years, subject to annual review.

Cost

Assistance will always be the minimum required to ensure that projects are carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

Final beneficiaries

Local authorities, English Partnerships, other public, private and voluntary sectors.

**Action for industry:
Developing the cultural, media and leisure industries
Measure 2: Better quality in the cultural and media industries:
Specific skills training**

Rationale and description

The Merseyside economy has experienced substantial decline, and the weakening economic base in the region makes it difficult for enterprises to prosper. The local economy has not had a sufficient increase in new growth sectors to offset the decline in traditional sectors.

One sector with particular potential for Merseyside is the cultural/media sector.

In order to raise and adapt the skills of the workforce in this sector, as well as to meet the needs of companies, the ESF may contribute to the costs of measures to increase training purchased or carried out by employers, or carried out by other organizations to meet specific business needs of SMEs. The ESF will not be used to substitute for expenditure normally undertaken with employers' or other organizations own funds.

Assistance from the ESF will include:

- a better structure for training: support for the costs of apprenticeship schemes within SMEs in the cultural/media field.
- support for the costs of training carried out by training providers in response to specific media/cultural skills needs within SMEs, identified through the training audits referred to in priority 5, measure 5.
- better impact: support for a collective training initiative in the cultural/media field, bringing together groups of SMEs and addressing their needs for training, either in-house, or carried out by other training providers, including support for smaller employers to network together, share facilities and expertise.

Objectives

To assist the protection or creation of jobs in the cultural/media field.

To make the qualifications of the workforce in the cultural/media field more relevant to market needs, as identified in the SME training audits.

To improve SME business performance and increase competitiveness in the cultural/media field.

Description

Specific descriptions have been listed above.

In general, ESF support is available for:

- support for employers collectively and individually to get their own structures right and to network effectively, e.g. to draw up training plans, to commit to and achieve investors in people, to exchange information.
- support for employers to help young people achieve NVQs, including through apprenticeship schemes.

- recruitment and training packages; schemes that meet business needs as well as the needs of the long-term unemployed and other priority groups, will be given priority.
- support for training linked to projects set up with ERDF support.
- direct training where it improves an employer's capacity to train its own workers, e.g. through trainer training or upskilling supervisors/management.
- pump-priming for companies to start employee development programmes.
- graduate recruitment and retention measures.
- steps to encourage closer links between education and business.
- vocational training in a number of clearly-defined circumstances carried out by or paid for by companies for their employees to obtain qualifications in skills in shortage on the local labour market, as identified in the SME training audits, including access to new training techniques.

Skills in this sector in shortage on the local labour market will be identified and reviewed in the light of the SME training audits, within the overall regional skill needs studies.

Private sector firms may apply directly to the programme for Structural Fund support. This will be appraised and administered through bodies designated by the Programme Monitoring Committee.

To receive funding, projects must either be schemes that would not be undertaken without grant aid, or would be implemented only in a reduced form and/or at a slower pace than can be achieved with grant aid.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

Quantified objectives for the measures supported by the ESF are specified for the Merseyside Objective 1 programme as a whole in section 2.3 — 'A strategy for investing in the people of Merseyside'.

The number of interventions in companies supported by the ESF under this measure during the lifetime of the programme is estimated to be 900.

This measure will deliver:

- an increased number of companies who have a company training plan and start employee development programmes.

- an increased number of companies committing to and achieving investors in people.

The impact will be:

- an increased number of individuals trained in cultural/media skills to NVQ or equivalent qualifications linked to SME needs.
- leverage of private sector investment in cultural/media skills training.

Timetable

Six years, subject to annual review.

Cost

Assistance will always be the minimum required to ensure that projects are carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authority

The Programme Monitoring Committee.

Final beneficiaries

Self-employed people with their own businesses, the managers and employees of companies on Merseyside with less than 250 employees, any people on Merseyside following courses in the skills identified in the measure, and also in skills identified from the SME training audits, with priority for schemes which meet business needs as well as those of the long-term unemployed, young people and other priority groups.

Action for industry: Developing the cultural, media and leisure industries Measure 3: Attracting visitors to Merseyside: help for investment in festivals, events and tourist attractions, and upgrading the standard of accommodation

Rationale

Tourism is a growing industry on Merseyside. In 1985 there were around 20 million visitors spending an estimated UKL 223 million; by 1991, this had increased to some 30 million visitors spending an estimated UKL 335 million.

Of these, some 1.5 million were overnight visits, with overnight visitors spending about UKL 160 million in the region.

Tourism and arts and cultural industries are major employers. They depend on and contribute to positive perceptions of Merseyside both within the area and in the world outside. In September 1991, there were 39 000 employees in tourism-related industries, 8% of all employees in the region.

Merseyside has further potential to develop a dynamic and diverse tourist industry. The region possesses some outstanding urban, coastal and rural environments with a rich built

and natural heritage. It is also well placed to act as a base for touring destinations nearby, such as Snowdonia and North Wales, the Lake District and the Peak District.

The main focus for tourism is Liverpool with a national and international reputation associated with maritime history, to be seen on both sides of the River Mersey. Liverpool has an outstanding architectural heritage and a first class performing arts sector, with a world class orchestra and chorus and three major theatres. Art galleries such as the Walker and Tate house collections of international importance as do the museums, particularly those run by the National Museums and Galleries on Merseyside, incorporating the William Brown Street complex, the Lady Lever Gallery in Port Sunlight and the Maritime Museum within the Albert Dock complex. There are rich and diverse cultural industries. Liverpool is also widely known for its popular culture (not least the Beatles) and runs a number of successful activities and events such as the Festival of Comedy. The region also has a very strong sporting tradition with three leading football clubs and two famous racecourses, including Aintree, the home of the Grand National.

Each of the surrounding districts has existing or potential attractions for visitors. These include the Sefton and Wirral coastlines, which contain protected wildlife habitats of international importance. The Victorian seaside resorts of Southport and New Brighton are also a major tourism and leisure asset for the region as well as fine countryside.

Merseyside has many highly successful attractions including the Albert Dock (about 5.7 million visits in 1991), Pleasureland in Southport (2 million visits in 1992), Croxteth Hall and Park, Liverpool (750 000 visits in 1992) and the Tate Gallery, Liverpool (500 000 visits in 1992). In addition, the region has developed a range of festivals and events that have played an important role in developing tourism. In 1992, the Return of the Tall Ships Festival attracted 2.5 million visitors. In 1993, the Battle of the Atlantic Commemoration attracted 92 000 visitors from outside the region over seven days. These festivals drew in almost UKL 29 million into the local economy.

However, research suggests that the region does not yet have a 'critical mass' of attractions. New possibly themed attractions must be developed if the region is to keep its place in this dynamic and highly competitive industry. They must be adequately and effectively promoted. The standard and quality of existing facilities and accommodation must also be maintained and improved if more visitors are to be attracted to the region and be persuaded to stay longer. The evening economy must be developed. Encouraging visitors to extend their stay is an objective of this measure. One part of that is the development of business tourism, depending on first class hotel, conference and associated facilities.

Objectives

- To increase visitor numbers and expenditure.
- To increase overnight stays.
- To increase regional income and employment from tourism.
- To improve the region's endowment of tourist attractions and facilities.
- To improve the region's quality of accommodation and facilities.
- To ensure adequate and effective promotion of the industry.

Description

ERDF support is available to improve existing tourism or conferencing facilities, to provide new attractions and visitor facilities, to promote and support these facilities, as well as

Merseyside as a tourist destination. Grants will also be made available for festivals and events.

Grants may also be made available to upgrade the standard of tourist accommodation to provide a better choice and quality for the visitor to Merseyside.

Projects must be able to demonstrate that support would lead to increased visitor numbers and spending. Priority will be given to those projects which encourage overnight stays and create new jobs.

ERDF support is available for the public, private or voluntary sectors. Any element of State aid must be on a scheme approved by the Commission.

Private sector firms may apply directly to the programme for Structural Fund support. This will be appraised and administered through bodies designated by the Programme Monitoring Committee.

To receive funding, projects must either be schemes that would not be undertaken without grant aid or would be implemented only in a reduced form and/or at a slower pace than can be achieved with grant aid.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

This measure will deliver:

- 44 tourist attractions.
- 250 permanent jobs directly and indirectly.
- 72/400 m² of floorspace.

The benefits will be:

- to create extra jobs in the tourist industry.
- to increase the number of visitors to Merseyside from 1.53 million.
- to increase visitor spend on Merseyside from UKL 156 million.
- to increase the number of overnight stays from 3.5 million.
- to lever in extra private sector investment.

- increased average expenditure per tourist.

Timetable

Six years, subject to annual reviews.

Cost

Assistance will always be the minimum required to ensure that the measure is carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

Final beneficiaries

Merseyside SMEs, local authorities, voluntary sector, Merseytravel, other public bodies.

Action for industry: Developing the cultural, media and leisure industries Measure 4: Improving quality: upgrading skills in the tourist industry

Rationale

The tourist industry on Merseyside is a major potential source of investment and employment in the region.

Measures are proposed to develop attractions and events which aim to achieve a 'critical mass' for tourism in the region.

A key strand of this strategy is to increase the number of overnight stays, and the average level of expenditure per visitor.

To do this, Merseyside's tourist industry must provide services of high quality. An important aspect of this is increasing skills, particularly with regard to better standards of hotel service, better standards in food and cookery, and conferencing skills, including language development.

These skills needs will be updated in the light of the results of the overall skills needs assessments provided through priority 5, measure 5.

Objectives

To improve the quality of service for tourists and visitors.

Description

In general, ESF support is available for:

- support for employers collectively and individually to get their own structures right and to network effectively, e.g. to draw-up training plans, to commit to and achieve investors in people, to exchange information.

- support for employers to help young people achieve NVQs, including through apprenticeship schemes.
- recruitment and training packages; schemes that meet business needs as well as the needs of the long-term unemployed and other priority groups, will be given priority.
- support for training linked to projects set up with ERDF support.
- direct training where it improves an employer's capacity to train its own workers, e.g. through trainer training or upskilling supervisors/management.
- pump-priming for companies to start employee development programmes.
- graduate recruitment and retention measures.
- vocational training in a number of clearly-defined circumstances carried out or paid for by companies for their employees to obtain qualifications in skills in shortage on the local labour market, as identified in the SME training audits, including access to new training techniques.

Skills in this sector in shortage on the local labour market will be identified and reviewed in the light of the SME training audits, within the overall regional skill needs studies.

Private sector firms may apply directly to the programme for Structural Fund support. This will be appraised and administered through bodies designated by the Programme Monitoring Committee.

To receive funding, projects must either be schemes that would not be undertaken without grant aid, or would be implemented only in a reduced form and/or at a slower pace than can be achieved with grant aid.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

Quantified objectives for the measures supported by the ESF are specified for the Merseyside Objective 1 programme as a whole in section 2.3 — 'A strategy for investing in the people of Merseyside'.

The number of interventions in companies supported by the ESF under this measure during the lifetime of the programme is estimated to be 1 500.

This measure will deliver:

- an increased number of companies who have a company training plan and start employee development programmes.
- an increased number of companies committing to and achieving investors in people.

The impact will be:

- an increased number of individuals trained in tourism skills to NVQ or equivalent qualifications linked to SME needs.
- leverage of private sector investment in tourism skills training.

Timetable

Six years, subject to annual review.

Cost

Assistance will always be the minimum required to ensure that projects are carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authority

The Programme Monitoring Committee.

Final beneficiaries

Merseyside SMEs in the tourist industry; any people on Merseyside following courses in the skills identified in this measure.

Action for industry: Developing the cultural, media and leisure industries Measure 5: Protecting and developing the natural and historic built environment

Rationale

Merseyside has many important natural habitats and landscapes, such as the Mersey and Dee estuaries, and the Sefton and Wirral coastlines, which represent a key environmental, recreational and underused tourism asset.

If these areas can be developed sensitively, environmental tourism can play an important role in attracting further visitors to the region.

The quality of visit is crucial when dealing with these, often sensitive, sites. Quality of visit is also vital in encouraging overnight stays and return visits. Increased visitor numbers must not be at the expense of either the integrity of the site or quality of visit.

These areas also offer an important environmental and recreational asset in the most densely populated of all the Objective 1 regions in the European Community. Increased access to and understanding of them increases the quality of life, helping to attract and retain population. Lack of natural open spaces has been identified in a recent NOP survey as a key factor contributing to the exodus from cities of people aged 15 to 34.

Merseyside also has more than 5 500 listed buildings with almost 100 conservation areas covering over 2 000 hectares.

These assets form one of the main strengths of the region's tourist appeal, both in attracting visitors directly and in contributing to the character of core urban areas.

The stock of historic buildings and environments in urban cores raises the quality of the working environment helping to attract new and retain indigenous businesses. Many such as the Royal Liver Building, Port Sunlight Village and St George's Hall are in productive use. Others can be returned to productive use through the assistance of grant aid such as has occurred with the Liverpool Institute Building.

The refurbishment and reuse of disused historic buildings can breathe life back into degraded urban environments, raising the overall environmental quality of the region and encouraging investment by the private sector. This has occurred at Albert Dock where Granada TV and Littlewoods have relocated, and can be seen in the attraction of businesses to Hamilton Square, Birkenhead.

Objectives

To increase the number of buildings and sites brought back into productive or tourist use, to increase private investment in the region and create employment.

To increase visitor numbers, and public understanding of these sites and habitats.

To ensure the long-term future and retention in a good state of the region's stock of historic buildings and environments.

To raise the environmental quality and overall visual appearance of key historic urban areas.

To increase the number of natural habitats safeguarded.

Description

ERDF support is available to acquire, improve and maintain sites, in particular SPAs and SSSIs, and buildings of architectural or historical importance, to improve and manage access, to increase the quality of visit and to increase understanding of the site or landscape. ERDF support for acquisition must be limited to a maximum of 10% of the total grant awarded to any scheme.

ERDF support is available for conservation projects.

Private sector firms may apply directly to the programme for Structural Fund support. This will be appraised and administered through bodies designated by the Programme Monitoring Committee.

To receive funding, projects must either be schemes that would not be undertaken without grant aid or would be implemented only in a reduced form and/or at a slower pace than can be achieved with grant aid. Projects in key urban areas should be part of a package whose aim is to make a marked improvement in the visual aspect of the area as a whole. Isolated, one-off projects will not normally be supported.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.

- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of region.

Outputs and impact

This measure will deliver:

- 83 000 m² of buildings brought back into productive or tourist use.
- 700 permanent jobs created directly and indirectly.

The impact will be:

- an increase in visitors.
- an increase in the number and area of habitats safeguarded.
- an increase in visitor expenditure.

Timetable

Six years, subject to annual reviews.

Cost

Assistance will always be the minimum required to ensure that the measure is carried out. The financial plan of this measure is given in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

Final beneficiaries

Merseyside SMEs, local authorities, private and voluntary sectors, other public bodies.

5. Action for the people of Merseyside: Pathways to integration, a better training system, community development and a better quality of life

This priority consists of seven measures put together as a coherent package of investments in the people of Merseyside, in particular young people, the long-term unemployed and others at a disadvantage in the labour market.

A key objective of the priority is to tackle the economic and social disparities within Merseyside. By reducing these disparities, the aim is to raise the growth rate of the Merseyside economy.

An element of Structural Fund support is proposed to be concentrated on a limited number of communities in the region, facing the worst problems. Action for the people and businesses of these communities, from both the ERDF and ESF, aims to trace a pathway to integration into employment.

This is complemented by action on the public transport system, to provide better access to work; and environmental works to improve the quality of life.

An overall context for Structural Fund support for labour market measures is provided by the skills needs assessments, and other actions designed to make the education, training and employment services more efficient and flexible.

Targeted training actions in sectors identified through skills needs assessments are provided through a career development measure, which complements in a broader way the specific training actions for business needs set out in other priorities.

People facing exclusion from the labour market in other areas of Merseyside also benefit from targeted action supported by ESF.

There is also a comprehensive measure for equal opportunities in the labour market, which is region-wide.

The situation of Merseyside in respect of a number of key variables of relevance to this priority is as follows:

- unemployment of the young (18 to 24) as a percentage of total unemployment is 32%.
- long-term unemployment (12 months or over) as a percentage of total unemployment is 45%.
- economic activity as a percentage of population of working age is 72%.
- percentage of 16 year olds entering full time education is 59%.

The key quantified objectives of this priority are listed in the following table.

In general terms:

Merseyside Objective 1 programme: ESF targets

Objective	Current Merseyside baseline	Indicative targets for 2000	Likely target without Objective 1	Priorities which are relevant
Young people to reach NVQ II, or equivalent	51%	80%	72%	1 to 5
Young people to reach NVQ III, or equivalent	27.8%	50%	43%	1 to 5
Education and training provision to develop self-reliance, flexibility and breadth				5
Economically active with at least NVQ III (or equivalent)	42.6%	50%	45%	1 to 5
Long-term unemployed people who achieve positive outcomes (jobs, qualifications, further training) as a result of ESF support		) ) ) ) )		1 to 5
Young people who achieve positive outcomes (jobs, qualifications, further training) as a result of ESF support		) ) 67 600))		1 to 5
People from excluded groups who achieve positive outcomes (jobs, qualifications, further training) as a result of ESF support		) ) ) ) )		5

Specifically with regard to this priority:

- for the communities covered by 'pathways to integration':
 - (i) to increase the number of people accessing training;
 - (ii) to increase the number of people achieving NVQ qualifications;
 - (iii) to increase the number of people getting jobs;
 - (iv) to increase the number of community initiatives set up;
- to lever in an extra million of private sector investment.
- to treat 70 ha of derelict, contaminated or neglected land.
- to increase the number of annual passenger journeys handled by public transport from its current level of 225 million to some 250 million.

Specific objectives and outputs are given, where possible, for each measure, showing how they will contribute to the overall objectives of the priority.

Action for the people of Merseyside: Pathways to integration, a better training system, community development and a better quality of life

Measure 1: Pathways to integration: a package of economic and social support targeted on key communities in Merseyside

Rationale

Merseyside has, overall, a high rate of unemployment — over 70% higher than the European Community average. Long-term unemployment is very high, particularly amongst men. Over 30 000 people have either never had a permanent job, or have not worked for at least 10 years.

Unemployment among young people is also relatively high on Merseyside.

These severe unemployment problems are concentrated in a limited number of localities in the region, as Map 2 shows. In Inner Liverpool, Bootle, Birkenhead, Huyton, Knowsley and Speke/Garston, unemployment in the worst-affected localities is 30-40% or more.

It is in communities such as these that long-term unemployment, young people facing exclusion from the labour market and a range of other economic, environmental and social problems are concentrated.

To achieve a real impact on these problems, the Structural Funds need to combine together to provide a targeted and coherent package of economic and social support.

The aim of the package is to map a route out from potential exclusion from the labour market through to real employment opportunities and jobs.

The package is not a 'social' package. Its objective is economic: to integrate the people of Merseyside, in particular young people, the long-term unemployed and others at a disadvantage in the target communities, into the labour market and help them find jobs.

Nor is the package intended to provide support for the communities in question in isolation of the other measures in this programme. There will be opportunities, through other measures, of attracting investments into the communities covered by this measure; as well as possibilities for the residents of the communities to take advantage of opportunities provided elsewhere.

Description

The package consists of four 'pathways to integration', which are designed (1) to help people with access to education, (2) to provide them with the skills needed to enter the training system, (3) to give them easier access to training, and most importantly of all (4) to help them get real jobs. These are reinforced by a number of accompanying measures.

The pathways map out a route from risk of exclusion from the labour market to employment. Their success in achieving this objective depends on their being implemented as a coherent package. They are:

- **a pathway to education**, with action aimed to get young people to be aware of and use the links between school, further education and work.
- **a pathway to skills**, with pre-vocational training and support helping to equip individuals, especially young people, the long-term unemployed and others at a disadvantage in

the labour market, with the skills necessary to enter and take advantage of the training system.

- **a pathway to training**, with two types of action: vocational training courses directly linked to the needs of employers as well as to the needs of individuals; and support for either bringing training facilities where appropriate directly to people in their own communities, or helping them to access facilities elsewhere in the region.

- **a pathway to jobs**, again with two types of action: employment subsidies and job placement schemes, to assist integration to employment; accompanied by business support for enterprises, in both the community and commercial sectors, to help sustain long-term jobs. These are reinforced by support for childcare and caring provision for other dependants.

These four pathways are accompanied by actions designed to improve the quality of life in the target communities:

- **a better quality of life**, with support for four types of action: (1) targeted environmental improvements; (2) better community facilities; (3) an awareness campaign focusing on the links between health and employment; and (4) measures to tackle the problem of crime in the communities.

Finally, to make sure that the pathways to integration mapped out in this measure have a chance of success, support is available for an action to help local people become involved in the design and delivery of the measure:

- **community involvement**, designed to help local people with the costs of setting-up, designing and monitoring their own initiatives.

Objectives

To develop opportunities for education, vocational training and employment of the residents of the communities, in particular the long-term unemployed, young people and others at a disadvantage in the labour market.

To integrate the residents of the target communities, in particular the long-term unemployed, young people and others at a disadvantage in the labour market into the economy.

To improve the physical environment and the quality of life of community residents.

The actions

A pathway to education

In the communities covered by this measure, staying-on rates at school are relatively low. So are participation rates in the further education system. Young people need to be encouraged into the education system, and need to see the relevance of it to work opportunities.

ESF support is available to be targeted on the following four areas:

- school-college links.
- school-industry links.
- school-home-community links.
- better awareness of educational opportunities for school-leavers.

The objective will be to build on existing successful initiatives and to raise participation of young people in the education system, by increasing their perception of its relevance to getting a job.

A pathway to skills

One reason for low take-up of further education and training opportunities in the target communities is the low level of basic skills. A significant number of young people leave school without the literacy and numeracy skills which they need to take advantage of training and jobs. The long-term unemployed and others in the communities need to regain the confidence to look for and find work. They may need guidance and support in order for them to get the basic skills necessary to enter the vocational training system.

ESF support is available to be targeted on the following three areas:

- basic literacy and numeracy.
- confidence building.
- advice, guidance and counselling including advisory services leading to access to education, training and employment opportunities that may also cover issues such as benefits, health, housing and education.

The objective is to equip people, especially young people, the long-term unemployed and others at a disadvantage with the basic skills necessary to enter the vocational training system.

A pathway to training

Many unemployed or under-employed people in the target communities have valuable work experience. They also have skills which are sometimes high-level skills, although these were developed in industries that have since closed. These skills need to be adjusted, updated, or completely renewed to meet the needs of employers in the industries of the future. There are packages of skills-training measures developed in other parts of the programme, linked to the 'drivers for change' in the Merseyside economy: indigenous small firms, new technologies and the knowledge-based industries, and the cultural, media and leisure industries.

But in the communities covered by this measure, there is a case for two special types of training initiative in addition. ESF support is available for:

- vocational training designed to meet the needs of individuals, and in particular, young people, the long-term unemployed and others at a disadvantage in the labour market. Training should be for skills in demand in the local labour market, including being linked, where appropriate, to particular employers.

These training activities need to be complemented by action to make training providers more responsive to the needs of people in the communities covered by this measure. People entering training are often discouraged by the remoteness of training facilities. Transport can be costly and infrequent. Measure 6 of this priority includes improvements in public transport facilities designed to help. The ERDF can also help by assisting facilities that increase training opportunities for the people concerned and support for either bringing training facilities where appropriate directly to people in these communities or helping them to access facilities elsewhere within the region. ERDF support is available to be targeted on three areas:

- outreach and mobile training facilities, concentrated on the communities covered by this measure.
- telecommunications for distance learning.
- specific actions by training providers to help improve access of the residents of the communities covered by this measure to education and training opportunities.

A pathway to jobs

The aim of the special area initiatives is to bring about an economic as well as social transformation of the communities concerned. This means that people must ultimately find jobs. One point of entry that can help is community enterprise activity. This can lead on to enterprises in the commercial sector, with longer-term job prospects. Job placement schemes may also be a first step. But to help people enter these activities, they may need help with childcare, and the care of other dependants. To help with integration into employment, employers can be assisted with the initial costs of taking on workers.

To assist integration into employment, ESF support is available to provide:

- work placement initiatives.
- employment subsidies.
- support for the costs of childcare, and the care of other dependants, to help people access training or jobs.
- community work schemes.

ERDF support is available to complement these by targeting on the following three areas:

- support for community enterprise development.
- targeted business support for the commercial SME sector in the communities.
- support for facilities for childcare, and the care of other dependants, to help people take training or jobs.

The objective is to help integrate people into jobs. Those jobs may need an initial period of support, through placement schemes and employment subsidies. For longer-term effectiveness, there is scope for targeted business support, in addition to support under other measures in the programme.

A better quality of life

In common with parts of other urban regions in Europe, the physical appearance of many of the communities covered by this measure is very poor. Facilities for community activity are also poor, or non-existent. The health of the population is considerably worse than the national average. There are high levels of crime, often linked to drug-dependency.

There is a need for action to complement the pathways to integration outlined above, so that the residents of the target communities have a better quality of life.

ERDF support is available to be targeted on the following four areas, involving small-scale infrastructure and awareness schemes:

- targeted packages of environmental improvement.

- better community facilities.
- targeted support for health awareness linked to employment.
- initiatives tackling crime.

Community involvement

The success of the pathways to integration initiative is crucially dependent on involvement of local residents and businesses. Local residents and firms should be the key players in designing, setting-up and monitoring the initiatives, with assistance from local councils and other groups.

ERDF support is available to be targeted on:

- public awareness campaigns.
- support for set-up and development costs.

As a general rule, for the pathways outlined in this measure, Structural Fund assistance should be used for coherent packages, including joint action by agencies, of support for individuals or areas that cover the maximum number of pathway steps outlined above.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

The selection of areas for geographical targeting will be carried out by the Monitoring Committee, on the basis of clear and transparent criteria. There shall be a focus on areas giving particular attention to the long-term unemployed and low incomes. Such areas are likely to include the worst-affected parts illustrated in Map 2, showing areas of very high unemployment, including parts of Inner Liverpool, Bootle, Birkenhead, Huyton, Knowsley and Speke/Garston. The coverage of such areas defined by the Monitoring Committee should not exceed 25 to 35% of the regional population. In focusing attention on the needs of the people in those areas, particular attention will be given to the needs of priority groups defined elsewhere in this document.

The Monitoring Committee will review the criteria and selection of areas on a regular basis, to include a mid-term review. But the initial target areas will be agreed by the Committee within three months of the Commission decision.

Outputs and impact

Quantified objectives for the measures supported by the ESF are specified for the Merseyside Objective 1 programme as a whole in section 2.3 — 'A strategy for investing in the people of Merseyside'.

The number of beneficiaries supported by the ESF under this measure during the lifetime of the programme is estimated to be 125 000.

The impact will be

- increased numbers of individuals achieving NVQ or equivalent qualifications at all levels.
- increased numbers of individuals into jobs.
- increased numbers of individuals going into further training or further/higher education.
- increased numbers of individuals from excluded groups trained.
- improved access to education and training.
- improvements to the environment.
- leverage of private sector investment.

Timetable

Six years, subject to annual reviews.

Cost

Assistance will always be the minimum required to ensure that the measure is carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

Final beneficiaries

The people and businesses of the target communities, with particular priority for young people and the long-term unemployed, and others at a disadvantage; voluntary and community organizations.

Action for the people of Merseyside: Pathways to integration, a better training system, community development and a better quality of life

Measure 2: Career development: responding to people's needs for lifetime training in identified growth sectors

Rationale

Merseyside has been subject to considerable industrial decline and many of the skills previously in demand are now redundant. Measures to address specific skills needs of industry are identified in other priorities. To respond to the challenge of change and to increase business competitiveness more generally, the skills of the existing workforce need to be developed and upgraded as do the skills of the unemployed. It is increasingly important for young people, especially, to acquire recognized vocational qualifications.

A policy of training for stock will not provide a highly skilled and adaptable workforce oriented toward the needs of the labour market. Measure 5 of this priority describes a group

to pull together and coordinate activity to identify labour market trends and anticipate vocational skill needs and qualifications across the region. In addition to this, training audits will be carried out under other priorities, as appropriate, to identify specific sectoral needs.

This measure complements activity carried out under other measures and priorities by:

- responding to skills gaps and shortages, identified through the skills review studies and training audits, but not covered by other priorities.
- meeting the needs of young people, the long-term unemployed and others at a disadvantage in the labour market for training in skills in identified growth sectors, identified through the skills review studies and training audits, which are linked to the broader labour market rather than to the shorter-term needs of enterprises.

Objectives

To help young people, the long-term unemployed and others at a disadvantage in the labour market acquire the skills they need to get and keep jobs.

To promote lifetime learning.

To assist individuals reach their full employment potential.

Description

ESF support is available for:

- apprenticeship and other initial vocational training for young people leading to a vocational qualification;
- vocational training for the long-term unemployed and others at a disadvantage in the labour market;
- high-level skills training and education;
- vocational advice and guidance;

provided all of these are in areas of potential growth, skill shortages or skill gaps, as identified through skills review studies and training audits.

- other measures to help individuals gain access to employment and training such as accreditation of prior learning, action planning and job search techniques;
- recruitment and training packages; schemes that meet business needs as well as the needs of the long-term unemployed and other priority groups will be given priority;
- business start-up support, including employment aids, alongside an after care service of advice, counselling and training support for individuals establishing new businesses in their first year of operation.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.

- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

Quantified objectives for the measures supported by the ESF are specified for the Merseyside Objective 1 programme as a whole in section 2.3 — 'A strategy for investing in the people of Merseyside'.

The number of beneficiaries supported by the ESF under this measure during the lifetime of the programme is estimated to be 170 000.

The impact will be:

- increased numbers of individuals achieving NVQ or equivalent qualifications at all levels.
- increased numbers of individuals into jobs.
- increased numbers of individuals going into further training or further/higher education.
- leverage of private sector investment.
- increased numbers of individuals into self-employment.

Timetable

Six years, subject to annual reviews.

Cost

Assistance will always be the minimum required to ensure that the measure is carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

Final beneficiaries

Young people, the long-term unemployed and others at a disadvantage in the labour market.

**Action for the people of Merseyside:
Pathways to integration, a better training system, community
development and a better quality of life**

**Measure 3: Accompanying measures to improve equal opportunities
for men and women in the labour market**

Rationale

The promotion of equal opportunities for men and women is central to the success of the strategy in this programme of investing in the people of Merseyside. It is particularly important to recognize the vital and growing contribution of women to the labour force. Currently, women are under-represented in certain sectors of the economy and in senior positions in the economy as a whole. The UK Government is developing policies to improve the level of out of school and pre-school childcare provision.

Equal opportunities runs across all priorities and measures and all Community supported actions must ensure equality of access regardless of gender, race or religion. Separate initiatives for men and women will be supported where they are justified under the provisions of the Sex Discrimination Act 1975. Positive action training will be carried out where it is justified under the Race Relations Act 1976. In addition to these types of actions forming an integral part of other measures in the programme, there is a need for a specific measure with a ringfenced budget solely dedicated to promoting equal opportunities in a broader and more generic way.

A lack of childcare pre-school provision services, of training/education provision geared to the needs and timetable of women, low confidence and lack of easily available information can all act as barriers to women's take-up of education, training and employment opportunities.

Outdated perceptions of the roles of men and women can act as a block to the realization of the full employment potential of men and women. It is, therefore, vital that in addition to measures aimed directly at men and women seeking employment, action is taken to raise awareness of equal opportunities issues amongst education, training and employment services personnel. Particular effort may be needed to encourage employers to broaden their traditional perceptions of the roles of men and women in employment.

Objectives

To broaden access to education, training and employment and encourage men and women to enter non-traditional areas of employment.

To change traditional perceptions of men and women in employment.

To increase the number of women in senior management and other positions.

Description

ESF support is available for:

- action to make school pupils more aware of employment opportunities in non-traditional areas.
- development and delivery of equality modules for education, training and employment services personnel.

- development and delivery of flexible learning including targeted open and distance learning packages.
- vocational guidance and counselling.
- assertiveness training and other pre-vocational actions.
- vocational training especially in areas where men or women are under-represented e.g. research and technological development.
- development of enterprise and management skills for women.
- the creation of self-employed activities, small enterprises and cooperatives by women.
- targeted information campaigns aimed at employers.
- employment aids to encourage employers to introduce more flexible patterns of work organization and distribution, aids to encourage occupational mobility and recruitment subsidies.

Where appropriate, trainees will benefit from the measures concerning care services for dependants and specialized facilities and equipment described under measure 5 of this priority.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

Quantified objectives for the measures supported by the ESF are specified for the Merseyside Objective 1 programme as a whole in section 2.3 — 'A strategy for investing in the people of Merseyside'.

The number of beneficiaries supported by the ESF under this measure during the lifetime of the programme is estimated to be 4 000.

The impact will be

- an increased number of women going on to senior positions.
- an increased number of personnel trained in equal opportunities.
- an increased number of men/women going on to non-traditional training/employment.

Timetable

Six years, subject to annual reviews.

Cost

Assistance will always be the minimum required to ensure that the measure is carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

Final beneficiaries

Employees, employers, young people still at school, unemployed, education, training and employment services personnel.

Action for the people of Merseyside: Pathways to integration, a better training system, community development and a better quality of life

Measure 4: Targeted action to improve access to jobs and training for those with special needs facing exclusion from the labour market

Rationale

In common with parts of other European urban regions, Merseyside has relatively high levels of long-term unemployment and social problems, including crime and drug-dependency.

A package of actions is identified in measure 1 of this priority for particular communities on Merseyside, designed to map out pathways to ultimate integration into employment.

This measure is designed to address the needs of those people at risk of permanent exclusion from the labour market but living outside the particularly disadvantaged communities targeted in measure 1.

Experience has shown the importance of taking action at an early stage to prevent exclusion developing as well as to reintegrate those facing exclusion. This may require targeted remedial action within schools as well as effort to build closer home-school-employer links to demonstrate the relevance of educational training in progressing on to stable employment.

Those facing exclusion do not form a homogenous group and it is therefore crucial that teachers, trainers and employment services personnel possess the appropriate skills and experience to provide the specialized assistance which is often required to integrate those with particular needs into the labour market.

Particular effort needs to be concentrated on coordinating activity and on support for measures which bridge existing gaps in training and employment services provision and which prepare people for vocational training or provide the post-training assistance necessary to enable progression on to employment.

Advisory services leading to access to education, training and employment opportunities may also cover issues such as benefits, health and education.

Objectives

To facilitate the reintegration of those facing exclusion, such as the very long-term unemployed, drug-addicts, ex-offenders, lone parents, people from racial minorities and people with disabilities.

To improve the capacity of education, training and employment services personnel to respond to the needs and potential of excluded groups.

Description

The following actions should constitute a menu of services adapted to the needs of those facing exclusion and delivered as part of a comprehensive package forming a pathway to reintegration. Actions should take account of local needs and situations and as much as possible those facing exclusion themselves should be involved in the design and delivery of actions.

ESF support is available for:

- targeted training of education, training and employment services personnel.
- the promotion of home-school-employer links.
- pre-vocational training and upgrading of basic skills including literacy and numeracy.
- vocational guidance and counselling adapted to the specialized needs of those facing exclusion.
- the provision of advice and information on issues such as benefits, health, housing and education where this will increase access to training, education or employment.
- vocational training adapted to the specialized needs of those facing exclusion, including customized training.
- community work schemes, sheltered employment and other intermediate labour market steps.
- the development of cooperatives and community or social enterprises.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

Quantified objectives for the measures supported by the ESF are specified for the Merseyside Objective 1 programme as a whole in section 2.3 — 'A strategy for investing in the people of Merseyside'.

The number of beneficiaries supported by the ESF under this measure during the lifetime of the programme is estimated to be 35 000.

The impact will be:

- increased numbers of individuals achieving NVQ or equivalent qualifications at all levels.
- increased numbers of individuals into jobs.
- increased numbers of individuals accessing training.

Timetable

Six years, subject to annual reviews.

Cost

Assistance will always be the minimum required to ensure that the measure is carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

Final beneficiaries

People at risk of permanent exclusion, education, training and employment services personnel.

Action for the people of Merseyside: Pathways to integration, a better training system, community development and a better quality of life

Measure 5: Improved and more flexible education, training and employment services

Rationale

Although there is a strong education, training and employment infrastructure on Merseyside, there is scope for improvement in terms of both quality and efficiency, including within public sector vocational training.

Merseyside still has some way to go to reach national training and education targets.

There is also scope for improving the quality of careers and support systems for pupils, for increasing foreign language and technological modules at secondary level, for encouraging innovation and fostering closer industry-education links.

Overall, there is a need to ensure a closer match between supply and demand to improve the functioning of the labour market.

A mechanism is proposed with the task of coordinating this type of activity and helping the Monitoring Committee to ensure the quality and relevance of training/education provision.

The full involvement of all relevant actors will be crucial in its success. The composition and terms of reference of the group, including its ability to co-opt as appropriate, will be determined by the Monitoring Committee within three months of the Commission decision.

A more systematic approach to continuing training is required, including support for employers collectively and individually to get their own structures right, e.g. to draw up training plans and to commit to and achieve investors in people.

In other priorities, some specific provision is made for including training plans as part of the process of establishing company business plans. In addition to this, support needs to be concentrated on increasing innovation and improving the quality of training and advisory provision through support for networks and centres of excellence and the transfer of expertise and best practice. Emphasis also needs to be put on ensuring that trainers and advisors as well as trainees acquire and develop relevant, recognized qualifications.

Specific provision is given in priority 2 for developing new techniques for training in SMEs; for example through open and distance learning. However, these also need to be developed more generally, along with accreditation of prior learning, as part of the effort to improve the quality and flexibility of training and education systems to make them more responsive both to the needs of business and of individuals.

More flexibility is required, particularly with regard to employment services, to take account of local needs and situations, to improve the dissemination of information on opportunities and to individualize guidance and counselling services as far as is possible. The aim should be to provide support as needed to every unemployed person on Merseyside.

Objectives

To improve the quality of education, training and employment services.

To make provision more flexible and responsive to the needs of its users.

To build closer links between training, education and industry.

To develop a more systematic and rationalized approach to continuing training.

Description

ESF support is available for:

- A group to coordinate activity to identify labour market trends and anticipate vocational skill and qualification requirements so that the Monitoring Committee can ensure the quality and relevance of training/education provision. This might include development of a region-wide labour market and training strategy; implementation of region-wide and thematic skill needs studies and training audits of companies; review and modification of provision in the light of studies of results and the labour market and training strategy recommendations.

and, where there is an identified need for:

- training of trainers and other personnel to update and enhance their skills and to acquire relevant professional certification.
- curriculum development in areas where there is an identified need, particularly in the field of new technologies.
- development of flexible training techniques including open and distance learning.

- development of systems for the accreditation of prior learning.
- support for networks and centres of excellence to encourage innovatory approaches and the transfer of expertise and best practice.
- support for the costs of companies and educational institutions in providing information on employment and further education/training opportunities to schools.
- support for the costs of exchange of professional students or familiarization visits between schools, other educational and training establishments and industry.
- the costs of support services for dependants, where this is linked to access to training, education or employment opportunities.

Where there is an identified need, ERDF support is available for:

- the provision of childcare facilities linked to increasing access to training, education or employment opportunities.
- the improvement of training facilities and equipment.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).
- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region.

Outputs and impact

Quantified objectives for the measures supported by the ESF are specified for the Merseyside Objective 1 programme as a whole in section 2.3 — 'A strategy for investing in the people of Merseyside'.

The number of beneficiaries supported by the ESF under this measure during the lifetime of the programme is estimated to be 3 500.

The impact will be:

- increased numbers of networks established.
- increased numbers of trainers/personnel trained.
- new training techniques developed.
- increased number of childcare facilities assisted.
- increased number of training facilities assisted.

Timetable

Six years, subject to annual reviews.

Cost

Assistance will always be the minimum required to ensure that the measure is carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

Final beneficiaries

Education/training/employment services personnel; trainees; organizations providing training or childcare facilities and equipment.

Action for the people of Merseyside: Pathways to integration, a better training system, community development and a better quality of life

Measure 6: Access to work: improving the public transport system

Rationale

There is a heavy reliance in Merseyside on public transport, particularly amongst women and disadvantaged groups. Car ownership is relatively low. An efficient public transport network is essential for economic success.

An attractive public transport system will reduce future growth in car traffic demand, with benefits for the environment and for economic growth in central areas.

In addition, public transport and community transport facilities will help provide access to employment opportunities for the residents of the communities targeted in the first measure of this priority, and thus complement the 'pathways to integration' measure.

In all 85% of journeys by public transport in Merseyside are taken by bus. Providing modern fully accessible services is a key objective. Elements of the bus service (bus stations, passenger waiting facilities, vehicles, information at bus-stops) are of poor quality. The average age of a bus is 12 years, compared to an average age of seven years in 1986.

Information for passengers at the point of use needs to be upgraded and expanded. Layover spaces are required in many central areas to avoid congestion and improve the service.

Rail services also play an important role in the region, particularly in providing access to the main urban areas for workers and shoppers. In all 14% of all trips into Liverpool city centre are by rail. The existing system is well located to assist in promoting the economic development of key areas. Some new stations are required. Some existing stations need to be upgraded and made more accessible.

Objectives

To improve the accessibility to training and work of the communities covered by the 'pathways to integration' measure, and to provide a better quality of life for those people dependent on public transport for their everyday travel needs.

To encourage economic growth and increase employment opportunities by increasing the mobility of labour, and ensuring that major tourist, commercial and industrial sites are efficiently served by public transport.

To improve the efficiency of the public transport system on Merseyside by improving the interchange, availability, understanding and use of high quality and attractive public transport facilities.

To accommodate the travel needs of a growing economy in a sustainable manner that is sensitive to environmental and energy considerations.

Description

ERDF support is available to public transport authorities and agencies to undertake infrastructure improvements for bus passengers and the rail network. Support is available for:

- improved bus passenger and interchange facilities, bus stations and park and ride sites that complement and enable commercial development of central areas and/or meet the needs of people and business;
- new and improved railway stations, interchanges, rail lines and park and ride sites to serve key sites for industrial and commercial development and/or improve access for targeted people and areas;
- introduction of measures including grant payments to make the public transport system more accessible to persons with mobility difficulties and promote equal opportunity in employment and training;
- consideration of guided bus and light rail technologies to serve targeted communities;
- the use of high technology information and ticketing systems, and bus priority and promotion measures to promote the use of public transport and provide a system that is more reliable, and readily understandable and usable for visitors and tourists; and
- improvements to the appearance of public transport facilities to enhance the environment and image of the public transport system, targeted areas and corridors.

To the extent that there are commensurate, demonstrably additional benefits for the region, ERDF support is available for British Rail and successor bodies to undertake infrastructure improvements to the rail network on Merseyside.

Grants will also be made to community and other groups operating public transport services which have special benefits for the residents of the communities covered by the 'pathways to integration' measure.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).

- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

All of the region, with special priority for schemes which benefit the residents of the communities covered by the 'pathways to integration' measure.

Outputs and impact

This measure will deliver:

- five new or improved bus stations.
- one upgraded railway station.
- 50 km of bus priority lanes.
- 150 km of SMART bus routes.
- 10 km of guided bus/light rail routes.
- 30 new or improved park and ride car parks and interchange facilities.
- the introduction of electronic ticketing on bus and rail services throughout Merseyside.

The impact will be:

- improvements in the frequency and reliability of public transport services to the communities covered by the 'pathways to integration' measure.
- increased investment of ECU 100 million in the public transport system.
- increased number of passengers handled.
- better accessibility to key industrial and commercial sites in the region.

Timetable

Six years, subject to annual reviews.

Cost

Assistance will always be the minimum required to ensure that the measure is carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

Final beneficiaries

Merseyside Passenger Transport Authority and Executive (Merseytravel), British Rail and successor bodies, the private sector, local authorities, community groups.

Action for the people of Merseyside: Pathways to integration, a better training system, community development and a better quality of life

Measure 7: A better environment: measures to treat derelict, contaminated and neglected land

Rationale

Merseyside has ten times the national average area of derelict — 2.25% of its surface area is classed as derelict, compared to the national figure of 0.24%. This represents almost 1700 hectares.

Such a large amount of unused, unsightly and contaminated land acts as a drag on the regional economy. It lowers the region's image, deterring investment and drives new development on to greenfield sites which in turn reduces the environmental endowment of the region. This is especially so in a densely populated region like Merseyside.

Reclaiming this land and returning it to use would deliver new sites for investment or productive, recreational or tourist uses.

Objectives

To reduce the amount of land classed as derelict, contaminated and neglected, and to return as much as possible to productive, recreational or tourist uses.

To protect the region's green belt and environmental endowment through the reuse of existing derelict or contaminated sites, thereby contributing to sustainable development.

To increase the environmental quality of key zones within the region by achieving a marked improvement in their visual and amenity value, concentrating on transport corridors, derelict urban areas not covered by the 'pathways to integration' measure, and public open space.

Description

ERDF support is available for the public, private and voluntary sectors to reclaim land classed as derelict, contaminated or neglected.

ERDF support is available for the public, voluntary and private sectors to undertake environmental improvements as part of a package of support which will have a marked impact on the visual and amenity value along transport corridors, town and city centres, in public open space and within derelict urban areas not covered by the 'pathways to integration' measure. Isolated, one-off projects will not normally be supported.

To receive funding, projects must either be schemes which grant recipients would not undertake without grant aid, or would implement only in a reduced form and/or at a slower pace than can be achieved with grant aid.

Project selection criteria

- Core criteria: a demonstration of additional benefits for Merseyside as a result of Structural Fund support; a demonstration of the need for Structural Fund support.
- Priority criteria: to be determined by the Monitoring Committee (see Chapter 4).

- Specific criteria: to be determined by the Monitoring Committee, tailored to the nature of this measure.

Scope

Key sites in the region.

Outputs and impact

This measure will deliver:

- 70 hectares of derelict, contaminated or neglected land reclaimed.
- 660 permanent jobs created directly and indirectly.

The impact will be:

- jobs created.
- increased private sector investment levered.
- an improved visual and amenity value of key areas on Merseyside.

Timetable

Six years, subject to annual reviews.

Cost

Assistance will always be the minimum required to ensure that the measure is carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

Final beneficiaries

Merseyside private sector companies, local authorities, voluntary sector, other public bodies.

6. Administration Technical assistance

Rationale

Objective 1 status has resulted in a significant increase in the size of the Structural Fund programme for Merseyside.

In order to deal adequately with the increased requirements of administration, assessment, monitoring, evaluation and control which arises, extra support and investment in such tasks may be required.

Objectives

Efficient and effective programme management, with adequate staffing.

Recourse to expertise in particular areas covered by the programme.

Description

Structural Fund support is available for the costs of:

- seconding staff to the secretariat from partnership organizations and supporting the additional administrative costs associated with implementation of the Objective 1 programme.
- organizations involved in researching, piloting, coordinating or delivering training or local economic development initiatives.
- purchasing expertise, advice on particular questions related to the management of the programme, including the commissioning of studies, evaluations and reports.
- actions publicising the activities of the Structural Funds on Merseyside.

Outputs

- Purchase of external expertise and advice.
- Publicity actions.
- Commissioning annual reports.
- Supporting training coordinators and local economic development agents.
- External secondees to the secretariat.
- Commissioning interim and final evaluations of the programme.

Timetable

Six years, subject to annual reviews.

Cost

Assistance will always be the minimum required to ensure that the measure is carried out. The financial plan for this measure is given in the table in Chapter 4.

Responsible authorities

The Programme Monitoring Committee.

Final beneficiaries

Representatives of the partnership, external experts/consultants.

Chapter 3

Financial plan 1994-99, and a first assessment of additionality

3.1. Financial allocations

Expenditure cofinanced by the Structural Funds

The attached tables show the allocations of expenditure to the Objective 1 programme cofinanced by the Structural Funds, by priority and year.

Allocations are also shown for individual measures as a guide.

As far as the allocation of ESF resources between priorities is concerned, the partnership has undertaken to increase the proportion going to priorities 1 to 4 to 30% by the end of the programme.

No measures are foreseen for support by the Financial Instrument for Fisheries Guidance (FIFG). However, should the partnership decide to seek assistance from the FIFG during the lifetime of the programme, this may be sought and the necessary modifications made.

The European Investment Bank

From 1989 to 1993 EIB loans in Merseyside amounted to ECU 205 million, mainly concentrated in infrastructure and industry. In particular, in the infrastructure field, activity was heavily concentrated on water projects (North West Water). In industry, the chemical sector (ICI) and the glass sector (Pilkington glass) also benefited from EIB loans.

In the financial table included in the regional development plan, no explicit request was made for EIB loans. The EIB can only give a global estimate of its future activity in Merseyside over the six years covered by the Objective 1 programme. A reasonable range for EIB lending would be between ECU 100 and 300 million. The EIB could be involved in

financing projects included under priorities 1, 2 and 5 covering investments in the fields of communication, environment and urban development, as well as projects in the industrial sector.

These estimates are based on the indicative financial plan of the Objective 1 programme. The actual level of EIB lending over the period and its sectoral distribution will depend on the projects to be submitted and approved by the EIB according to its usual procedures. The bank is prepared to examine, on the basis of its customary criteria, applications for loans for eligible investment projects not specifically covered by the Objective 1 programme but conforming to its main priorities.

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**Merseyside Objective 1 programme
1994-99
Financial table by priority
million ECU**

Priority	Total		European Community				National		Loans		
	Cost	Public	Total	ERDF	ESF	EAGGF	FIFG	Public	Private	ECSC	EIB
1. Inward investment and key corporate business development	482.0	318.0	186.0	178.0	8.0			132.0	164.0		150.0
ERDF measures	458.0	302.0	178.0	178.0				124.0	156.0		
ESF measures	24.0	16.0	8.0		8.0			8.0	8.0		
2. Indigenous enterprise and local business development	401.0	299.0	149.0	106.0	40.0	3.0		150.0	102.0		25.0
ERDF measures	273.0	213.0	106.0	106.0				107.0	60.0		
ESF measures	120.0	80.0	40.0		40.0			40.0	40.0		
EAGGF measures	8.0	6.0	3.0			3.0		3.0	2.0		
3. Knowledge-based industries and advanced technology development	172.0	121.0	62.0	42.0	20.0			59.0	51.0		
ERDF measures	124.0	86.0	42.0	42.0				44.0	38.0		
ESF measures	48.0	35.0	20.0		20.0			15.0	13.0		
4. Developing the cultural, media and leisure industries	146.0	104.0	54.0	38.0	16.0			50.0	42.0		
ERDF measures	98.0	72.0	38.0	38.0				34.0	26.0		
ESF measures	48.0	32.0	16.0		16.0			16.0	16.0		
5. Action for the people of Merseyside: pathways to integration, a better training system, community development and a better quality of life	791.0	782.0	361.0	109.0	252.0			421.0	9.0		75.0
ERDF measures	287.0	278.0	109.0	109.0				169.0	9.0		
ESF measures	504.0	504.0	252.0		252.0			252.0			
Technical assistance	8.0	8.0	4.0	2.0	2.0			4.0			
ERDF measures	4.0	4.0	2.0	2.0				2.0			
ESF measures	4.0	4.0	2.0		2.0			2.0			
Total	2 000.0	1 632.0	816.0	475.0	338.0	3.0		816.0	368.0		250.0
ERDF measures	1 244.0	955.0	475.0	475.0				480.0	289.0		
ESF measures	748.0	671.0	338.0		338.0			333.0	77.0		
EAGGF measures	8.0	6.0	3.0			3.0		3.0	2.0		

Merseyside Objective 1 programme
1994-99
Financial table by priority and measure (indicative)
million ECU

Priority and measure	Total		European Community				National		
	Cost	Public	Total	ERDF	ESF	EAGGF	FIFG	Public	Private
1. Action for industry: inward investment and key corporate business development									
sites and premises	254.0	190.0	100.0	100.0				90.0	64.0
training needs	24.0	16.0	8.0		8.0			8.0	8.0
image campaign	11.0	10.0	4.0	4.0				6.0	1.0
gateways: port, airport	118.0	45.0	45.0	45.0					73.0
access to sites	67.0	51.0	26.0	26.0				25.0	16.0
industrial waste	8.0	6.0	3.0	3.0				3.0	2.0
Total	482.0	318.0	186.0	178.0	8.0			132.0	164.0
2. Action for industry: indigenous enterprise and local business development									
premises for SMEs	78.0	65.0	30.0	30.0				35.0	13.0
incentives for local business development	195.0	148.0	76.0	76.0				72.0	47.0
training needs	120.0	80.0	40.0		40.0			40.0	40.0
farming, food sector	8.0	6.0	3.0			3.0		3.0	2.0
Total	401.0	299.0	149.0	106.0	40.0	3.0		150.0	102.0
3. Action for industry: knowledge-based industries and advanced technology development									
research, innovation, technology development for business needs	63.0	46.0	24.0	24.0				22.0	17.0
new technology skills (ERDF)	40.0	25.0	10.0	10.0				15.0	15.0
new technology skills (ESF)	33.0	25.0	15.0		15.0			10.0	8.0
clean technologies	21.0	15.0	8.0	8.0				7.0	6.0
environmental skills	15.0	10.0	5.0		5.0			5.0	5.0
Total	172.0	121.0	62.0	42.0	20.0			59.0	51.0
4. Action for industry: developing the cultural, media and leisure industries									
facilities for investors	26.0	18.0	10.0	10.0				8.0	8.0
quality in media: skills	18.0	12.0	6.0		6.0			6.0	6.0
tourist attractions, festivals and events	33.0	23.0	13.0	13.0				10.0	10.0
quality in tourism: skills	30.0	20.0	10.0		10.0			10.0	10.0
protecting natural and historic built environment	39.0	31.0	15.0	15.0				16.0	8.0
Total	146.0	104.0	54.0	38.0	16.0			50.0	42.0
5. Action for the people of Merseyside: pathways to integration, a better training system, community development and a better quality of life									
pathways to integration (ESF)	180.0	180.0	90.0		90.0			90.0	
pathways to integration (ERDF)	92.0	92.0	35.0	35.0				57.0	
career development	220.0	220.0	110.0		110.0			110.0	
equal opportunities	10.0	10.0	5.0		5.0			5.0	
targeted action to combat social exclusion	50.0	50.0	25.0		25.0			25.0	
better education, training, employment services (ESF)	44.0	44.0	22.0		22.0			22.0	
better education, training, employment services (ERDF)	45.0	45.0	17.0	17.0				28.0	
access to work: public transport	113.0	105.0	43.0	43.0				62.0	8.0
environmental action on derelict land	37.0	36.0	14.0	14.0				22.0	1.0
Total	791.0	782.0	361.0	109.0	252.0			421.0	9.0
Technical assistance	8.0	8.0	4.0	2.0	2.0			4.0	
ERDF	4.0	4.0	2.0	2.0				2.0	
ESF	4.0	4.0	2.0		2.0			2.0	
Grand total	2 000.0	1 632.0	816.0	475.0	338.0	3.0		816.0	368.0

**Merseyside Objective 1 programme
1994-99
Financial table by year
million ECU**

Fund and year	Total		Total	European Community			FIFG	National	
	Cost	Public		ERDF	ESF	EAGGF		Public	Private
1994	274.41	223.92	111.96	65.17	46.38	0.41		111.96	50.49
ERDF	170.68	131.03	65.17	65.17				65.86	39.65
ESF	102.63	92.07	46.38		46.38			45.69	10.56
EAGGF	1.10	0.82	0.41			0.41		0.41	0.27
1995	296.84	242.22	121.11	70.50	50.17	0.45		121.11	54.62
ERDF	184.63	141.74	70.50	70.50				71.24	42.89
ESF	111.02	99.59	50.17		50.17			49.42	11.43
EAGGF	1.19	0.89	0.45			0.45		0.45	0.30
1996	318.21	259.66	129.83	75.58	53.78	0.48		129.83	58.55
ERDF	197.93	151.95	75.58	75.58				76.37	45.98
ESF	119.01	106.76	53.78		53.78			52.98	12.25
EAGGF	1.27	0.95	0.48			0.48		0.48	0.32
1997	340.37	277.74	138.87	80.84	57.52	0.51		138.87	62.63
ERDF	211.71	162.53	80.84	80.84				81.69	49.18
ESF	127.30	114.19	57.52		57.52			56.67	13.10
EAGGF	1.36	1.02	0.51			0.51		0.51	0.34
1998	369.93	301.86	150.93	87.86	62.52	0.55		150.93	68.07
ERDF	230.09	176.64	87.86	87.86				88.78	53.45
ESF	138.35	124.11	62.52		62.52			61.59	14.24
EAGGF	1.48	1.11	0.55			0.55		0.55	0.37
1999	400.25	326.60	163.30	95.06	67.64	0.60		163.30	73.65
ERDF	248.95	191.12	95.06	95.06				96.06	57.84
ESF	149.69	134.28	67.64		67.64			66.64	15.41
EAGGF	1.60	1.20	0.60			0.60		0.60	0.40
Total	2 000.00	1 632.00	816.00	475.00	338.00	3.00		816.00	368.00
ERDF	1 244.00	955.00	475.00	475.00				480.00	289.00
ESF	748.00	671.00	338.00		338.00			333.00	77.00
EAGGF	8.00	6.00				3.00		3.00	2.00

**Merseyside Objective 1 programme
1994**
Financial table by priority
million ECU

Priority		Total		Total	European Community			FIFG	National	
		Cost	Public		ERDF	ESF	EAGGF		Public	Private
1. Inward investment and key corporate business development		66.13	43.63	25.52	24.42	1.10			18.11	22.50
	ERDF measures	62.84	41.44	24.42	24.42				17.01	21.40
	ESF measures	3.29	2.20	1.10		1.10			1.10	1.10
2. Indigenous enterprise and local business development		55.02	41.02	20.44	14.54	5.49	0.41		20.58	14.00
	ERDF measures	37.46	29.22	14.54	14.54				14.68	8.23
	ESF measures	16.46	10.98	5.49		5.49			5.49	5.49
	ERDF measures	1.10	0.82	0.41			0.41		0.41	0.27
3. Knowledge-based industries and advanced technology development		23.60	16.60	8.51	5.76	2.74			8.10	7.00
	ERDF measures	17.01	11.80	5.76	5.76				6.04	5.21
	ESF measures	6.59	4.80	2.74		2.74			2.06	1.78
4. Developing the cultural, media and leisure industries		20.03	14.27	7.41	5.21	2.20			6.86	5.76
	ERDF measures	13.45	9.88	5.21	5.21				4.67	3.57
	ESF measures	6.59	4.39	2.20		2.20			2.20	2.20
5. Action for the people of Merseyside: pathways to integration, a better training system, community development and a better quality of life		108.53	107.30	49.53	14.96	34.58			57.76	1.23
	ERDF measures	39.38	38.14	14.96	14.96				23.19	1.23
	ESF measures	69.15	69.15	34.58		34.58			34.58	
Technical assistance		1.10	1.10	0.55	0.27	0.27			0.55	
	ERDF measures	0.55	0.55	0.27	0.27				0.27	
	ESF measures	0.55	0.55	0.27		0.27			0.27	
Total		274.41	223.92	111.96	65.17	46.38	0.41		111.96	50.49
	ERDF measures	170.68	131.03	65.17	65.17				65.86	39.65
	ESF measures	102.63	92.07	46.38		46.38			45.69	10.56
	EAGGF measures	1.10	0.82	0.41			0.41		0.41	0.27

**Merseyside Objective 1 programme
1995
Financial table by priority
million ECU**

Priority	Total		European Community					National	
	Cost	Public	Total	ERDF	ESF	EAGGF	FIFG	Public	Private
1. Inward investment and key corporate business development	71.54	47.20	27.61	26.42	1.19			19.59	24.34
ERDF measures	67.98	44.82	26.42	26.42				18.40	23.15
ESF measures	3.56	2.37	1.19		1.19			1.19	1.19
2. Indigenous enterprise and local business development	59.52	44.38	22.11	15.73	5.94	0.45		22.26	15.14
ERDF measures	40.52	31.61	15.73	15.73				15.88	8.91
ESF measures	17.81	11.87	5.94		5.94			5.94	5.94
EAGGF measures	1.19	0.89	0.45			0.45		0.45	0.30
3. Knowledge-based industries and advanced technology development	25.53	17.96	9.20	6.23	2.97			8.76	7.57
ERDF measures	18.40	12.76	6.23	6.23				6.53	5.64
ESF measures	7.12	5.19	2.97		2.97			2.23	1.93
4. Developing the cultural, media and leisure industries	21.67	15.44	8.01	5.64	2.37			7.42	6.23
ERDF measures	14.55	10.69	5.64	5.64				5.05	3.86
ESF measures	7.12	4.75	2.37		2.37			2.37	2.37
5. Action for the people of Merseyside: pathways to integration, a better training system, community development and a better quality of life	117.40	116.06	53.58	16.18	37.40			62.48	1.34
ERDF measures	42.60	41.26	16.18	16.18				25.08	1.34
ESF measures	74.80	74.80	37.40		37.40			37.40	
Technical assistance	1.19	1.19	0.59	0.30	0.30			0.59	
ERDF measures	0.59	0.59	0.30	0.30				0.30	
ESF measures	0.59	0.59	0.30		0.30			0.30	
Total	296.84	242.22	121.11	70.50	50.17	0.45		121.11	54.62
ERDF measures	184.63	141.74	70.50	70.50				71.24	42.89
ESF measures	111.02	99.59	50.17		50.17			49.42	11.43
EAGGF measures	1.19	0.89	0.45			0.45		0.45	0.30

**Merseyside Objective 1 programme
1996**
Financial table by priority
million ECU

Priority		Total		European Community				National		
		Cost	Public	Total	ERDF	ESF	EAGGF	FIFG	Public	Private
1. Inward investment and key corporate business development		76.69	50.60	29.59	28.32	1.27			21.00	26.09
	ERDF measures	72.87	48.05	28.32	28.32				19.73	24.82
	ESF measures	3.82	2.55	1.27		1.27			1.27	1.27
2. Indigenous enterprise and local business development		63.80	47.57	23.71	16.87	6.36	0.48		23.87	16.23
	ERDF measures	43.44	33.89	16.87	16.87				17.02	9.55
	ESF measures	19.09	12.73	6.36		6.36			6.36	6.36
	EAGGF measures	1.27	0.95	0.48			0.48		0.48	0.32
3. Knowledge-based industries and advanced technology development		27.37	19.25	9.86	6.68	3.18			9.39	8.11
	ERDF measures	19.73	13.68	6.68	6.68				7.00	6.05
	ESF measures	7.64	5.57	3.18		3.18			2.39	2.07
4. Developing the cultural, media and leisure industries		23.23	16.55	8.59	6.05	2.55			7.96	6.68
	ERDF measures	15.59	11.46	6.05	6.05				5.41	4.14
	ESF measures	7.64	5.09	2.55		2.55			2.55	2.55
5. Action for the people of Merseyside: pathways to integration, a better training system, community development and a better quality of life		125.85	124.42	57.44	17.34	40.09			66.98	1.43
	ERDF measures	45.66	44.23	17.34	17.34				26.89	1.43
	ESF measures	80.19	80.19	40.09		40.09			40.09	
Technical assistance		1.27	1.27	0.64	0.32	0.32			0.64	
	ERDF measures	0.64	0.64	0.32	0.32				0.32	
	ESF measures	0.64	0.64	0.32		0.32			0.32	
Total		318.21	259.66	129.83	75.58	53.78	0.48		129.83	58.55
	ERDF measures	197.93	151.95	75.58	75.58				76.37	45.98
	ESF measures	119.01	106.76	53.78		53.78			52.98	12.25
	EAGGF measures	1.27	0.95	0.48			0.48		0.48	0.32

**Merseyside Objective 1 programme
1997
Financial table by priority
million ECU**

Priority	Total		European Community				FIFG	National	
	Cost	Public	Total	ERDF	ESF	EAGGF		Public	Private
1. Inward investment and key corporate business development	82.03	54.12	31.65					22.46	27.91
ERDF measures	77.94	51.40	30.29	30.29				21.10	26.55
ESF measures	4.08	2.72	1.36		1.36			1.36	1.36
2. Indigenous enterprise and local business development	68.24	50.88	25.36	18.04	6.81	0.51		25.53	17.36
ERDF measures	46.46	36.25	18.04	18.04				18.21	10.21
ESF measures	20.42	13.61	6.81		6.81			6.81	6.81
EAGGF measures	1.36	1.02	0.51			0.51		0.51	0.34
3. Knowledge-based industries and advanced technology development	29.27	20.59	10.55	7.15	3.40			10.04	8.68
ERDF measures	21.10	14.64	7.15	7.15				7.49	6.47
ESF measures	8.17	5.96	3.40		3.40			2.55	2.21
4. Developing the cultural, media and leisure industries	24.85	17.70	9.19	6.47	2.72			8.51	7.15
ERDF measures	16.68	12.25	6.47	6.47				5.79	4.42
ESF measures	8.17	5.45	2.72		2.72			2.72	2.72
5. Action for the people of Merseyside: pathways to integration, a better training system, community development and a better quality of life	134.62	133.08	61.44	18.55	42.89			71.65	1.53
ERDF measures	48.84	47.31	18.55	18.55				28.76	1.53
ESF measures	85.77	85.77	42.89		42.89			42.89	
Technical assistance	1.36	1.36	0.68	0.34	0.34			0.68	
ERDF measures	0.68	0.68	0.34	0.34				0.34	
ESF measures	0.68	0.68	0.34		0.34			0.34	
Total	340.37	277.74	138.87	80.84	57.52	0.51		138.87	62.63
ERDF measures	211.71	162.53	80.84	80.84				81.69	49.18
ESF measures	127.30	114.19	57.52		57.52			56.67	13.10
EAGGF measures	1.36	1.02	0.51			0.51		0.51	0.34

**Merseyside Objective 1 programme
1999
Financial table by priority
million ECU**

Priority	Total		Total	European Community				National	
	Cost	Public		ERDF	ESF	EAGGF	FIFG	Public	Private
1. Inward investment and key corporate business development	96.46	63.64	37.22	35.62	1.60			26.42	32.82
ERDF measures	91.66	60.44	35.62	35.62				24.82	31.22
ESF measures	4.80	3.20	1.60		1.60			1.60	1.60
2. Indigenous enterprise and local business development	80.25	59.84	29.82	21.21	8.00	0.60		30.02	20.41
ERDF measures	54.63	42.63	21.21	21.21				21.41	12.01
ESF measures	24.01	16.01	8.00		8.00			8.00	8.00
EAGGF measures	1.60	1.20	0.60			0.60		0.60	0.40
3. Knowledge-based industries and advanced technology development	34.42	24.21	12.41	8.41	4.00			11.81	10.21
ERDF measures	24.82	17.21	8.41	8.41				8.81	7.60
ESF measures	9.61	7.00	4.00		4.00			3.00	2.60
4. Developing the cultural, media and leisure industries	29.22	20.81	10.81	7.60	3.20			10.01	8.41
ERDF measures	19.61	14.41	7.60	7.60				6.80	5.20
ESF measures	9.61	6.40	3.20		3.20			3.20	3.20
5. Action for the people of Merseyside: pathways to integration, a better training system, community development and a better quality of life	158.30	156.50	72.24	21.81	50.43			84.25	1.80
ERDF measures	57.44	55.63	21.81	21.81				33.82	1.80
ESF measures	100.86	100.86	50.43		50.43			50.43	
Technical assistance	1.60	1.60	0.80	0.40	0.40			0.80	
ERDF measures	0.80	0.80	0.40	0.40				0.40	
ESF measures	0.80	0.80	0.40		0.40			0.40	
Total	400.25	326.60	163.30	95.06	67.64	0.60		163.30	73.65
ERDF measures	248.95	191.12	95.06	95.06				96.06	57.84
ESF measures	149.69	134.28	67.64		67.64			66.64	15.41
EAGGF measures	1.60	1.20	0.60			0.60		0.60	0.40

**Merseyside Objective 1 programme
1999
Financial table by priority
million ECU**

Priority	Total		European Community					National	
	Cost	Public	Total	ERDF	ESF	EAGGF	FIFG	Public	Private
1. Inward investment and key corporate business development	96.46	63.64	37.22	35.62	1.60			26.42	32.82
ERDF measures	91.66	60.44	35.62	35.62				24.82	31.22
ESF measures	4.80	3.20	1.60		1.60			1.60	1.60
2. Indigenous enterprise and local business development	80.25	59.84	29.82	21.21	8.00	0.60		30.02	20.41
ERDF measures	54.63	42.63	21.21	21.21				21.41	12.01
ESF measures	24.01	16.01	8.00		8.00			8.00	8.00
EAGGF measures	1.60	1.20	0.60			0.60		0.60	0.40
3. Knowledge-based industries and advanced technology development	34.42	24.21	12.41	8.41	4.00			11.81	10.21
ERDF measures	24.82	17.21	8.41	8.41				8.81	7.60
ESF measures	9.61	7.00	4.00		4.00			3.00	2.60
4. Developing the cultural, media and leisure industries	29.22	20.81	10.81	7.60	3.20			10.01	8.41
ERDF measures	19.61	14.41	7.60	7.60				6.80	5.20
ESF measures	9.61	6.40	3.20		3.20			3.20	3.20
5. Action for the people of Merseyside: pathways to integration, a better training system, community development and a better quality of life	158.30	156.50	72.24	21.81	50.43			84.25	1.80
ERDF measures	57.44	55.63	21.81	21.81				33.82	1.80
ESF measures	100.86	100.86	50.43		50.43			50.43	
Technical assistance	1.60	1.60	0.80	0.40	0.40			0.80	
ERDF measures	0.80	0.80	0.40	0.40				0.40	
ESF measures	0.80	0.80	0.40		0.40			0.40	
Total	400.25	326.60	163.30	95.06	67.64	0.60		163.30	73.65
ERDF measures	248.95	191.12	95.06	95.06				96.06	57.84
ESF measures	149.69	134.28	67.64		67.64			66.64	15.41
EAGGF measures	1.60	1.20	0.60			0.60		0.60	0.40

3.2. Additionality

Ex-ante evaluation of additionality

(a) For the period 1989-93, public expenditure in the United Kingdom regions of Northern Ireland, the Highlands, Islands and Merseyside — the regions now eligible for assistance from the Structural Funds under Objective 1 — amounted to, as an annual average, ECU 1 519 million in 1994 prices.

The breakdown of this expenditure, together with that of the Structural Funds, is given in the financial table (Table 1). The expenditure given in this financial table constitutes the reference base for the *ex-ante* evaluation of additionality for Objective 1 during the period 1994-99.

(b) For the period 1994-99 the British authorities will seek to ensure that their annual average expenditure in these regions will be maintained at the level of ECU 1 690 million (in 1994 prices), that is to say an increase in the order of 11% in real terms as compared to the period 1989-93. The principle of additionality is thus respected *ex-ante*. The UK authorities undertake to maintain the annual average expenditures for the period 1994-99 at least at the same level as for the period 1989-93 in accordance with the terms of Article 9 of the coordination regulation. This expenditure, which is broken down in the financial table (Table 1) is incurred by public administrations (at central, regional and local levels) and public and similar bodies.

In addition, the evaluation of the global development effort for the region of Merseyside is given in Table 2.

(c) The estimates made in order to draw up the indicative financial table for Merseyside, based mainly on population, which constitutes one of three tables to be aggregated for verification of additionality for Objective 1 in the United Kingdom, will be replaced by other estimates to the extent they are more appropriate estimates in the course of the meeting foreseen below (see paragraph 2 under Monitoring of additionality) in the course of the United Kingdom financial year 1994-95.

Monitoring of additionality

In order to permit the ongoing monitoring of eligible expenditure in the context of additionality the United Kingdom authorities will send to the Commission, in the spring of each year, a table in the same format as Table 1 incorporating the outturn for year n-2, the provisional outturn for n-1, an estimate for year n and forecasts for the remainder of the period covered by the single programming document (SPD).

The Table 2 referred to above will be aggregated with those of the other Objective 1 regions in the United Kingdom to form a single table for the purpose of assessing additionality at the national level. If necessary, this assessment will be the subject of a meeting arranged between the United Kingdom authorities and the Commission.

It is agreed between the Commission and the Member State that the annual average of estimated and actual expenditure at the national level shall not differ significantly from the annual average for the period 1994-99 derived from the single table referred to above. If a significant difference should emerge the United Kingdom authorities will explain to the Commission why the difference has occurred. This explanation may make reference to changes in the macroeconomic hypotheses adopted when the SPDs were drawn up.

In addition, the United Kingdom authorities will inform the Commission of any institutional, administrative or statistical changes from the situation ruling at the time the SPDs were

drawn up which may have a significant impact on the level of eligible expenditure. In particular, information shall be provided about any total or partial privatizations. Decisions as to how such privatizations shall be taken into account for the purposes of additionality will be taken on a case-by-case basis in the context of partnership.

If the annual average level of aggregate eligible spending in the Objective 1 regions of the United Kingdom, taking into account any changes resulting from the previous paragraph, falls below the annual average of 1989-93 the Commission will, on the basis of the information supplied, assess whether the principle of additionality is endangered.

If, in the Commission's opinion, there appears to be a risk that the respect of the principle of additionality is endangered the Commission may request that the Member State communicate, within a specified time, details of the measures it intends to take in respect of eligible non-cofinanced expenditure. The Commission will then decide, in accordance with the procedures laid down in the regulations, what measures it will take in respect of expenditure cofinanced by the Structural Funds.

Transparency of financial flows

Receipts from the Commission are received in a Treasury account at the Bank of England where they are converted to sterling. Each sterling amount is then passed immediately to the government department designated as the implementing authority for the programme who hold it in a specifically identified account. This provides for standards of financial control consistent with national expenditure.

The main implementing authorities in the United Kingdom are the Department of Finance and Personnel, Northern Ireland and the Scottish and Welsh Offices, responsible for programmes in their territories, and for England the Department of the Environment, the Department of Trade and Industry, the Department of Employment and the Ministry of Agriculture, Fisheries and Food. Receipts from the ERDF for English programmes are mostly passed to the regional government offices, who are responsible for implementation. These receipts go via the Department of Trade and Industry which records and monitors them.

Secretariats for each programme are provided by or are responsible to the implementing department and undertake the issuing of offers of Community grants to approved projects.

For ERDF funded projects, the implementing authorities arrange for payment of grant on receipt of certified expenditure claims from beneficiaries. For ESF funded projects advances are paid to beneficiaries. For both ERDF and ESF projects final payments are not made until projects are complete and audited. Different arrangements operate for government schemes cofinanced with Community funds. For these schemes the operating department makes claims in arrears to secretariats for a proportions of the sums already paid out to the beneficiaries.

Implementing authorities are responsible for maintaining and monitoring all claims and expenditure, and for preparing payments claims to the Commission.

The range of national audit procedures, checks and controls in place to prevent the occurrence of irregularities and to detect them and their perpetrators, are applied to Structural Fund financial affairs.

Development-related expenditures in Objective 1 regions
(in million ECU 1994 prices)
United Kingdom

Table 1

	Annual average 1989-93								Annual average 1994-99								CF contribution + EFTA
	Public (national + Comm.)			Private	CSF contribution		Total public net of SF contribution	Credits EIB	Public (national + Comm.)			Private	CSF contribution		Total public net of SF contribution	Credits EIB	
	Total	of which			SF	National			Total	of which			SF	National			
		Budget	Non budget							Budget	Non budget						
1	2 = 3 + 4	3	4	5	6	7	8 = 2-6	9	10=11+12	11	12	13	14	15	16 = 10-14	17	18
Basic infrastructure	769.9	672.9	96.0	..	84.4	81.4	684.5	61.3	952.8	848.8	104.0	..	111.8	63.6	841.0	..	..
Transport (Cap.exp.)	404.2	404.2	..	..	62.8	63.5	341.4	..	379.0	379.0	..	..	52.3	40.0	326.7	..	..
Telecoms (Cap.exp.)	4.6	4.6	..	..	3.5	0.7	1.1	26.8	6.9	6.9	..	..	3.4	3.4	3.5	..	..
Energy (Cap.exp.)	165.9	69.9	96.0	..	1.0	0.8	164.9	19.0	277.9	173.9	104.0	..	31.7	1.4	246.2	..	..
Envir. and water (Cap.exp.)	194.2	194.2	..	..	17.1	16.4	177.1	15.5	289.0	289.0	..	..	24.4	18.8	264.6	..	..
Health (Cap.exp.)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Miscellaneous	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Human resources	405.6	405.5	..	..	106.8	74.9	298.8	..	480.4	480.4	..	..	149.1	111.3	331.3	..	..
Education (Cap.exp.)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Education (Cur.exp.)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Training (Cap.exp.)	..	..	..	..	..	..	..	..	1.7	1.7	..	..	1.7	..	0.0	..	..
Training (Cur.exp.)	379.9	379.9	..	..	93.8	65.1	286.1	..	444.0	444.0	..	..	130.1	104.1	313.9	..	..
R&TD (Cap.exp.)	20.8	20.8	..	..	10.9	7.3	9.9	..	22.8	22.8	..	..	16.5	6.4	6.3	..	..
R&TD (Cur.exp.)	4.9	4.9	..	..	2.1	2.5	2.8	..	11.9	11.9	..	..	0.8	0.8	11.1	..	..
Productive environment	611.5	611.5	..	..	87.8	91.3	523.7	39.3	631.7	631.7	..	..	118.8	103.4	512.9	..	..
Industry and services	361.4	361.4	..	..	33.7	27.6	327.7	39.3	375.3	375.3	..	..	55.2	49.9	320.1	..	..
Fisheries	11.2	11.2	..	..	0.4	0.1	10.8	..	14.3	14.3	..	..	6.2	6.4	8.1	..	..
Tourism	44.7	44.7	..	..	18.1	13.2	26.6	..	72.9	72.9	..	..	17.1	11.7	55.8	..	..
Agric. and rural develop.	194.2	194.2	..	..	35.6	50.4	158.6	..	169.2	169.2	..	..	40.3	35.4	128.9	..	..
Other (Local develop.)	36.8	36.8	..	..	24.3	12.5	12.5	..	18.2	18.2	..	..	13.8	4.4	4.4	..	..
Total	1 822.8	1 726.8	96.0	..	303.3	260.1	1 519.5	100.6	2 083.1	1 979.1	104.0	..	393.5	282.7	1 689.6	..	..
Percentage of GDP																	

..: no data available

Development-related expenditures in Objective 1 regions
(in million ECU 1994 constant prices)

Merseyside

Table 2

The following table illustrates past and estimated future national and Community public structural and comparable expenditure for the NUTS III level area of Merseyside. Since most expenditure in England is functionally rather than geographically attributed, and only limited data is collected at the NUTS III level, the figures are mostly based on per capita estimates. In accordance with Article 9 of Regulation (EEC) No 2082/93, the verification of additionality will only be undertaken at the level of the three United Kingdom Objective 1 regions of Northern Ireland, the Highlands and Islands and Merseyside, taken together.

	Annual average 1989-93								Annual average 1994-99								
	Public (national + Comm.)			Private	CSF contribution		Total public net of SF contribution	Credits EIB	Public (national + Comm.)			Private	CSF contribution		Total public net of SF contribution	Credits EIB	CF contribution + EFTA
	Total	of which			SF	National			Total	of which			SF	National			
		Budget	Non budget							Budget	Non budget						
1	2 = 3 + 4	3	4	5	6	7	8 = 2-6	9	10=11+12	11	12	13	14	15	16 = 10-14	17	18
Basic infrastructure	152.6	90.1	62.5	..	18.3	39.9	134.3	34.5	195.2	121.5	73.7	..	31.6	31.6	163.6	..	..
Transport (Cap.exp.)	68.3	68.3	..	..	10.4	30.9	57.9	..	96.5	96.5	..	..	19.8	19.8	76.7	..	..
Telecoms (Cap.exp.)	..	..	..	..	..	..	..	..	4.0	4.0	..	..	2.0	2.0	2.1	..	..
Energy (Cap.exp.)	62.5	..	62.5	..	..	..	62.5	19.0	75.0	1.3	73.7	..	..	..	75.0	..	..
Envir. and water (Cap.exp.)	21.7	21.7	..	..	7.9	9.0	13.8	15.5	19.5	19.5	..	..	9.9	9.9	9.9	..	..
Health (Cap.exp.)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Miscellaneous	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Human resources	168.0	168.0	..	..	18.5	21.8	149.6	..	209.2	209.2	..	..	67.3	67.3	141.9	..	..
Education (Cap.exp.)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Education (Cur.exp.)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Training (Cap.exp.)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Training (Cur.exp.)	159.4	159.4	..	..	14.3	17.4	145.1	..	191.8	191.8	..	..	63.6	63.6	128.2	..	..
R&TD (Cap.exp.)	4.0	4.0	..	..	2.1	2.0	2.0	..	7.5	7.5	..	..	3.8	3.8	3.8	..	..
R&TD (Cur.exp.)	4.6	4.6	..	..	2.1	2.5	2.5	..	9.9	9.9	..	..	..	..	9.9	..	..
Productive environment	153.9	153.9	..	..	17.6	22.0	136.4	13.3	161.6	161.6	..	..	36.9	36.9	124.7	..	..
Industry and services	139.8	139.8	..	..	11.2	14.7	128.6	13.3	152.6	152.6	..	..	33.2	33.2	119.5	..	..
Fisheries	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Tourism	13.7	13.7	..	..	6.4	7.3	7.3	..	7.2	7.2	..	..	3.8	3.8	3.4	..	..
Agric. and rural develop.	0.5	0.5	..	..	..	..	0.5	..	1.8	1.8	..	..	..	..	1.8	..	..
Other (Local develop.)	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Total	474.5	412.0	62.5	..	54.3	83.7	420.2	47.7	566.0	492.3	73.7	..	135.9	135.8	430.1	..	..
Percentage of GDP																	

"..": no data available



Chapter 4

Administration and conditions of implementation

4.1. Administration and monitoring

A — Principles and provisions governing the prior appraisal, monitoring, interim assessment and *ex-post* evaluation of the single programming document (SPD)

Within the framework of the partnership the Commission and the Member States cooperate, multilaterally where appropriate, on the structures, methods and procedures to be used in order to make monitoring systems and appraisal and assessment work more effective.

1. Prior appraisal (Article 26 of Regulation (EEC) No 4253/88)

Prior appraisal is the responsibility of both the Member States and the Commission and is to be carried out through the partnership.

The results of the prior appraisal of the SPD are an integral part of the document.

Applications for ERDF assistance in respect of the major projects referred to in Article 16(2) of Regulation (EEC) No 4253/88 (i.e. those the total cost of which exceeds ECU 25 million for infrastructure investments and ECU 15 million for productive investments) must also include the information referred to in Article 5 of Regulation (EEC) No 4254/88. This information shall cover, for investments in infrastructure, analysis of the costs and socio-economic benefits of the project, including an indication of the expected rate of use, and, for productive investments, an indication of the market outlook for the sector concerned.

Other projects are appraised in an appropriate way by the Member States. Where appropriate, the results of this appraisal are made available to the Monitoring Committee.

2. Monitoring and interim assessments (Article 25 of Regulation (EEC) No 4253/88)

The monitoring of the SPD is backed up by interim assessments so that any adjustments required in the course of implementation may be made.

Monitoring and interim assessments are the responsibility of the Monitoring Committee and are based in particular on financial, physical and impact indicators defined in the SPD.

Monitoring involves the organization and coordination of the data relating to the financial, physical and impact indicators and those concerning qualitative aspects of implementation (particularly economic and social, operational, legal or even procedural aspects).

Monitoring entails measuring the progress made in implementing the operation and results in the annual reports referred in Article 25(4) of Regulation (EEC) No 4253/88. Where appropriate, and on the basis in particular of interim assessments, it proposes adjustments.

Interim assessments include a critical analysis of the data collected through monitoring, including those forming part of the annual reports.

Interim assessments measure the extent to which the objectives pursued are gradually being attained, explain any discrepancies and forecast the results of the operation. They also express a view about the validity of the operation in progress and its relevance to the objectives selected.

As a general rule, where a SPD lasts for more than three years, a mid-term assessment is undertaken after the third year of implementation so that any adjustments required can be made.

Normally, the Monitoring Committee will rely on an independent assessor to carry out these assessments. Where during the partnership discussions, it is originally not decided to engage such an assessor, the Commission reserves the right to do so during implementation of the operation.

Independent assessors are required to observe confidentiality when dealing with the Monitoring Committee's data to which they have access.

3. Ex-post evaluation (Article 26 of Regulation (EEC) No 4253/88)

Ex-post evaluation of the assistance undertaken under the SPD is based, on the one hand, on the information gathered through monitoring and the interim assessments of operations undertaken and, on the other hand, on the collection of statistical data relating to indicators defined when the objectives were laid down.

The Member States and the Commission may be assisted by independent organizations or experts, who will have access to the Monitoring Committee's information and data. Such bodies are required to observe confidentiality when dealing with the data.

B — The monitoring of the SPD

Merseyside is part of the North West region of England, and implementation of the Objective 1 SPD will take account of this. Objectives 1 and 2 will of course be managed and accounted for separately. But the partners are determined to ensure effective liaison between the implementing structures of Merseyside Objective 1 and the surrounding Objective 2 areas. This liaison would try to ensure that the overall benefit of Structural Funds

support to the region as a whole is maximized, and that there is a mechanism for approval of cross-border projects.

4. The SPD Monitoring Committee

Establishment

A Monitoring Committee is responsible for monitoring implementation of the SPD. This committee may also be responsible for monitoring assistance granted for the Community initiatives implemented on the territory covered by the SPD.

The membership of the Monitoring Committee includes the principal regional partners including the government, the European Commission, the EIB, the private sector, TECs, statutory bodies, the voluntary sector, representatives appointed by each of the Merseyside District Councils, and other key regional partners.

The Monitoring Committee shall establish its own rules of procedure, including any appropriate organizational arrangements.

The Committee may meet at the initiative of either the Member State concerned or the Commission. The Monitoring Committee shall normally meet twice a year, or more often if necessary.

At its first meeting, the Committee shall draw up and approve detailed provisions for the discharge of the duties assigned to it with particular reference to the monitoring and interim assessments of the SPD.

Technical panels

The partnership agreed to establish two technical panels, one primarily concerned with the industrial development side of the SPD, the first four 'drivers for change', the second primarily concerned with the fifth driver, the people of Merseyside.

There will be extensive cross membership of and close liaison between the two panels, with the Chair of both panels reporting regularly to the Chair of the Monitoring Committee.

The membership of both technical panels will be drawn from the principal partners. Representation will be drawn from the government, the European Commission, the local authorities, the private sector, TECs, the voluntary sector and other key partners.

A considerable emphasis is to be given to representation in a personal capacity from the private sector. Six places across both panels will be reserved for members with experience of both large and small firms.

The panels have a proposed delegation limit of ECU 5 million and will determine projects according to detailed project selection criteria agreed by the Monitoring Committee. All projects above that level will be determined by the Monitoring Committee, acting on the advice of the secretariat and technical panels.

The secretariat

A secretariat has been established to assist the Monitoring Committee and technical panels. The secretariat will be staffed by officials from the government office for Merseyside and from other partners contributing to its administration and staffing.

The secretariat will support both the Monitoring Committee and the technical panels in the pro-active development of the programme. It will be responsible to the Chair of the Monitoring Committee for the technical appraisal of project applications and coordination of all elements of the programme to ensure that integration between the funds and synergy are maximized.

In principle, the documents required for the work of the Monitoring Committee shall be available three weeks before the date of the meeting.

Duties

The Monitoring Committee has, amongst others, the following tasks:

- It ensures the satisfactory progress of assistance undertaken under the SPD in order to achieve the objectives laid down. It shall take care in particular of:
 - (i) compliance with regulatory provisions, including those relating to the eligibility of measures and projects;
 - (ii) conformity of the measures with the priorities selected and the objectives foreseen;
 - (iii) compliance with the other Community policies;
 - (iv) coordination between assistance from the Funds and assistance granted by the other grant and loan instruments of the Community.
- It lays down provisions for the effective implementation of the measures, and establishes project selection criteria in order to ensure selection of the best schemes for structural support. In the case of major projects, the Committee ensures, where appropriate, that the information required under Article 5 of Regulation (EEC) No 4254/88 (the ERDF Regulation) is supplied to the Commission.
- It monitors, organizes and examines the work on interim assessments of the SPD on the basis of the financial, physical and impact indicators defined therein at the level of the priorities, the sub-priorities and the measures.
- It proposes any steps required to speed up implementation of the SPD where delays are revealed by the periodic results yielded by monitoring and interim assessments.
- It prepares and deliberates on any proposals to amend the operation in accordance with rules and procedures set out at 5 below.
- It proposes the allocation of the resources generated by the annual indexation of the original annual breakdown of assistance of the SPD by reinforcing certain existing measures and/or setting up new measures under the SPD in question.
- It coordinates promotion and publicity for the operation in accordance with Commission Decision No 94/342/EC of 31 May 1994 concerning information and publicity measures to be carried out by the Member States concerning assistance from the Structural Funds and the financial instrument for fisheries guidance (FIFG).¹
- It proposes technical assistance measures, to be adopted by the chairman in agreement with the Commission representative and implemented within the relevant financial allocation.

¹ OJ L 152, 18.6.1994

- It gives its opinion on the draft annual reports.
- It analyses periodically the evolutions of disparities and development gaps using the indicators set out in the SPD.

Project selection criteria

The project selection criteria to be established by the Monitoring Committee will need to specify core criteria which all projects must meet, priorities, and specific selection criteria tailored to the nature of the measure being addressed. These selection criteria should not, however, be discriminatory as between different contractors.

The core criteria are:

- a demonstration of additional benefits for Merseyside as a result of Structural Fund support;
- a demonstration of the need for Structural Fund support.

These core criteria are shown in the section on projects selection criteria under each measure of the SPD.

Priority considerations which will help to measure the desirability of the project will include:

- job creation, or attainment of other specified relevant output;
- value-for-money, including cost per unit output;
- leverage of extra investment, especially from the private sector;
- the strategic nature of the scheme in its Merseyside context;
- synergy with other schemes and measures;
- for measures for which it is appropriate, environmental impact.

As a general rule, projects will be selected for Structural Fund assistance through a process of competitive bidding. Bids may be put together on a cooperative basis through a range of partners.

All bids will be assessed in relation to the project selection criteria specified in the programme document in accordance with the provisions specified in paragraph 4 above.

Regional challenge

The United Kingdom Government has announced that a special competition entitled 'Regional challenge' is to be introduced for ECU 47.5 million of ERDF resources and ECU 4.75 million of ESF resources for Merseyside. This is to encourage imaginative, value-for-money proposals, involving significant private sector funding.

Regional challenge projects will satisfy the general criteria and procedures for awarding Structural Fund assistance set out above. Project sponsors may declare on their application forms for European Structural Fund support whether they also wish particular schemes to be considered for regional challenge. In order to ensure administrative simplicity, bids for regional challenge — the timing of which will be determined in consultation with the Monitoring Committee — will be invited by programme secretariats as part of the normal Structural Fund application process. Programme secretariats will assess bids in the normal

way. Only bids which are considered of sufficient quality to be awarded Structural Fund assistance will be considered for regional challenge.

Bids considered for regional challenge will be assessed additionally against the following additional criteria, to be finalized in the light of the consultations with the Monitoring Committee. These are likely to include:

- (i) private sector leverage;
- (ii) comprehensive area-based regeneration effects;
- (iii) significant contribution to regional competitiveness;
- (iv) strategic importance for the region as a whole;
- (v) contribution to several measures specified in the SPD.

Structural Fund grant will be payable only to those parts of projects which are covered by measures specified in the SPD, consistent with the allocations in the financial table.

A short-list of regional challenge projects satisfying these additional criteria will be put to the Monitoring Committee, which will then forward a recommendation to Ministers, who will take the final decision.

5. Procedures for the amendment of the SPD

5.1. The following amendments may be decided on by the Monitoring Committee in agreement with the representatives of the competent authorities of the Member State and the Commission:

(a) Any modification of the total cost of or the Community contribution to a priority or to an annual instalment of the SPD by transferring it to another priority or annual instalment. Such a modification may not exceed 30% of the total cost of or the Community contribution to the SPD as a whole. However, this percentage may be exceeded provided that the amount of the modification does not exceed ECU 30 million.

Any modification is subject to the availability of funds and must remain compatible with the Commission's budgetary rules. It may not affect the total amount of Community assistance granted to the SPD,¹ or the allocation to each Community initiative. It may entail transfers of resources between the Community Structural Funds and the FIFG and a change in the rate of assistance.

(b) Other minor modifications concerning the implementation of measures which do not affect the indicative financing plan, with the exception of the provisions concerning aid schemes.

Decisions concerning modifications must be notified to the Commission and the Member State immediately. Whenever the amounts of finance are altered, the notification shall be accompanied by the revised financing plan of the SPD.

The responsible Commission service shall acknowledge receipt of the notification and confirm the date thereof. The modification shall take effect once it has been confirmed by the Commission services and the Member State concerned, which must be done within 20 working days following the date of receipt of the notification.²

¹ This means the total amount of Community assistance, at constant prices, as referred to in the Commission decision approving the SPD.

² Justification shall be provided for any refusal of confirmation.

5.2. The following modifications may be decided on by the Commission in agreement with the Member State and after receiving the opinion of the Monitoring Committee:

(a) Any modification exceeding the thresholds set out in 5.1(a), without amending the total amount of Community assistance granted to the SPD.

(b) Any transfer of resources from the Structural Funds between the individual SPDs within a Member State which does not exceed 25% of the Community contribution to the SPDs in question. However, this percentage may be exceeded provided that the amount of the modification does not exceed ECU 60 million.

The Member State sends the Commission an application for modification. The application must include:

- the revised financing plan. The amounts contained therein in respect of past years must correspond to the expenditure actually incurred during those years;
- if the annual instalments have not been systematically closed at the end of the years concerned as at the first sub-paragraph of point 19 of the provisions for financial implementation, certificates of expenditure actually incurred during earlier years;
- the opinion of the Monitoring Committee on the modification concerned.

The responsible Commission service shall acknowledge receipt of the notification and confirm the date thereof. The Commission shall approve the modification within four months following the date of receipt referred to above.

5.3. Other modifications require a revision of the single programming document following the procedures applied for its adoption. These arrangements include consultation of the Committees referred to in Articles 27 to 29 of Regulation (EEC) No 4253/88.

5.4. In accordance with Article 11 of Regulation (EEC) No 4253/88, any assistance approved under the Community initiatives which has an impact on the SPD concerned must be taken into account when the SPD is revised. To that end the revised financing plans notified to the Commission and the Member State concerned in accordance with the procedures at 5.1 and 5.2 shall separately include the finance decided on in the meantime for the implementation of the different Community initiatives.

6. Reports on the implementation of operations (Article 25(4) of Regulation (EEC) No 4253/88)

All the reports which the authorities designated by the Member State are to submit to the Commission shall be drawn up in accordance with a jointly agreed plan (reports to be submitted within six months of the end of each year and the final report in the case of multi-annual operations, and the single report on operations lasting less than two years).

The Member State shall inform the Commission no later than three months after adoption of the SPD by the Commission which authority is responsible for preparation and submission of the annual reports. Three months after its appointment, that authority shall send the Commission a proposal concerning the submission of these reports.

The final reports shall contain a brief summary of implementation of the operation and of the results of the interim assessments and initial factors for assessment of the economic impact on the basis of the indicators selected.

D — Technical assistance and experts

The SPD includes a financial allocation, agreed by the partnership, for assistance towards measures to prepare, appraise, monitor and evaluate measures planned or undertaken under the SPD. Information and publicity measures undertaken pursuant to Commission Decision 94/342/EC of 31 May 1994 may also be financed under this heading.

The measures are undertaken as part of the work of the Monitoring Committee.

In carrying out the duties imposed on them, the representatives of the Member State and the Commission may, by mutual agreement, be accompanied by their experts. This agreement shall only be refused for duly justified reasons.

E — Information and publicity

Commission Decision No 94/342/EC of 31 May 1994 concerning information and publicity measures to be carried out by the Member States concerning assistance from the Structural Funds and the FIFG shall apply.

4.2. Financial implementation provisions for assistance

1. The Commission and the Member States have agreed to apply in the following way Articles 19 to 24 of Council Regulation (EEC) No 4253/88 of 19 December 1988,¹ as amended by Regulation (EEC) No 2082/93,² in cooperation with the authorities responsible for the implementation of assistance.

2. The Member State undertakes to ensure that, for operations part-financed by the Structural Funds and the FIFG, all bodies designated by the authority empowered to certify the reality of expenditure and involved in the management and implementation of these operations maintain either a separate accounting system or an adequate accounting codification capable of providing detailed and complete summaries of all transactions involving Community assistance (in accordance with paragraph 21). This is intended to facilitate the verification of expenditure by Community and national control authorities.

3. The accounting system based on supporting documents which can be checked must be able to provide:

(a) detailed statements of expenditure including, for each final beneficiary, details of the monitoring of each measure part-financed and setting out in national currency the amount of receipted expenditure and showing the dates of receipt and payment in the case of each supporting document;

(b) summary statements of expenditure relating to all the measures part-financed.

The concepts of 'legal and financial commitment at national level', 'expenditure actually incurred' and 'final beneficiaries'.

4. 'Legally binding arrangements' and 'requisite financial commitments' comprise the decisions taken by the final beneficiaries to implement eligible operations and the allocation of the corresponding public funds. These definitions have to take account of the particular features of institutional organizations, of the administrative procedures of each Member State and of the nature of the operations.

¹ OJ L 374, 31.12.1988, p. 1.

² OJ L 193, 31.7.1993, p. 20.

5. 'Expenditure actually incurred' must relate to payments effected by the final beneficiaries, supported by receipted invoices or accounting documents of equivalent probative value as provided for in paragraphs 13, 14 and 20.

Under Article 17(2) of Regulation (EEC) No 4253/88 as amended, Community assistance is to be calculated in relation to either the total eligible cost or the total public or similar eligible expenditure. The financing plans for assistance set out the options selected.

6. 'Final beneficiaries' are:

(a) public or private bodies or firms responsible for commissioning works;

(b) in the case of aid schemes and aid granted by bodies designated by the Member States, bodies which grant such aid.

The bodies concerned shall institute the collection of financial information (survey of receipted invoices or accounting documents of equivalent probative value).

7. The second subparagraph of Article 21(3) of Regulation (EEC) No 4253/88 as amended states that payments must be made to the final beneficiaries without any deduction or retention which could reduce the amount of financial assistance to which they are entitled. Paragraph 5 of that Article requires the Member States to make the advances and payments to the final beneficiaries as soon as possible, and as a general rule within three months of receipt of the appropriations by the Member State, provided that the beneficiaries' applications fulfil the conditions necessary for payment to be made.

Mechanisms for Community commitments and payments

8. Initial and subsequent budgetary commitments are based on the financing plan and are implemented in annual instalments.

9. The first annual instalment is committed when the Commission adopts the decision approving the assistance.

10. Subsequent commitments are made in the light of the level of expenditure, which indicates the progress made in implementing the assistance. They are normally made when the Member State certifies to the Commission that expenditure actually incurred by the final beneficiaries amounts to:

(a) at least 40% of the estimated total eligible cost or expenditure (as shown in the financing plan) corresponding to the commitment of the preceding instalment and that actual implementation of the form of assistance is proceeding as programmed;

(b) at least 80% of the total eligible costs or expenditure relating to the penultimate commitment;

(c) 100% of the total eligible cost or expenditure relating to the instalment or instalments preceding the penultimate commitment. The earlier instalments must in the meantime have been closed.

11. If the financing plan is amended, further commitments may be made in respect of an annual instalment already committed. Supplementary advances in respect of these further commitments may be made only at the request of the Member State.

12. Subject to budgetary availability, an annual instalment of Community funding for assistance will be committed when the conditions set out in paragraphs 9 and 10 are met, irre-

spective of the date on which this occurs. Consequently, during any given financial year an annual instalment relating to a past or future year may be committed.

13. For each commitment, a first advance of up to 50% may be paid. Except for the first commitment, the advance will be paid when the Member State certifies that 60% and 100% respectively of the total eligible cost relating to the last and the penultimate instalments, as laid down in the current financing plan, have been spent by the final beneficiaries. At this stage proof of the expenditure actually incurred can be based on appropriate information obtained from the system for monitoring the assistance. Furthermore, the Member State must certify that the action is progressing as scheduled in the programme.

14. A second advance such that the sum of the two advances does not exceed 80% of the commitment may be paid when the Member State has certified that at least half of the first advance (i.e. at least 25% of the total commitment where the first advance was 50% of the commitment) has been spent by the final beneficiaries, and that implementation of the assistance is progressing as scheduled in the programme. At this stage, proof of the expenditure actually incurred must be provided in accordance with the conditions set out in paragraph 13.

However, in exceptional and duly justified cases and to cope with particular difficulties, the Commission may, at the Member State's request, accept that the certified expenditure relates to payments to the final beneficiaries (in particular, for operations carried out by autonomous bodies).

15. Where a single commitment pursuant to Article 20¹ of Regulation (EEC) No 4253/88 as amended is made, the first advance may be up to 50% where implementation forecasts show that 50% or more of forecast eligible expenditure is to be carried out in the first two years of implementation. Otherwise the first advance may not exceed 30%. The second advance is calculated in accordance with Article 21¹ of that Regulation.

16. If, when the financing plan for a form of assistance is amended, Community commitments and/or payments already made exceed the amounts entered in the amended financing plan, the Commission makes an adjustment to take account of the over-commitment or over-payment when it authorizes the first financial operation (commitment or payment) following the amendment¹. If the amendment creates a right to payments additional to those already made under the previous instalments, the Member State is required to make a supplementary application for payment (see paragraph 11). The Commission makes the financial settlement on the basis of the annual instalments in the current financing plan as amended by the Monitoring Committee or the Commission.

17. If the financing plan is amended so that expenditure is very heavily concentrated on one instalment, the first advance to be paid in respect of that instalment will not normally exceed 30%.

18. If the amendment to the financing plan exceeds the limits of the powers delegated to the Monitoring Committees, the amounts for previous years entered in the revised financing plan must correspond to the expenditure actually incurred in those years as submitted or to be submitted in the certificates and annual reports on implementation.

19. An annual instalment may be closed (submission of expenditure for payment of the balance) either:

¹ In the case of de-commitments made necessary by the total or partial non-execution of actions for which credits had been provided, de-commitments occurring in the course of exercises prior to the exercise in the course of which the commitments were made, the provisions apply of Article 7(6) of the Financial Regulation of 21.12.1977 applicable to the general budget of the European Communities last amended by Regulation (Euratom, ECSC, EEC) No 610/90 (OJ L 70, 16.3.1990).

- (a) systematically on 31 December of the year in question, which entails a review of the financing plan and its retroactive adjustment where expenditure actually incurred during that year does not coincide with that programmed (this option has been chosen by the ESF); or
- (b) when expenditure actually incurred reaches the amount stated in the financing plan for the instalment in question, irrespective of the date. This means that in general the budgetary exercise may not coincide with the period in which anticipated expenditure for the exercise in question was actually incurred (this option has been chosen by the ERDF and the EAGGF).

20. Payment of the balance in respect of each commitment is subject to the following conditions:

- (a) submission to the Commission by the Member State or by the designated authority of an application for payment within six months of the end of the year concerned or of completion of the operation. This application must be based on expenditure actually incurred by the final beneficiaries;
- (b) submission to the Commission of the reports referred to in Article 25(4) of Regulation (EEC) No 4253/88 as amended. These annual reports on implementation should contain sufficient information for the Commission to assess the progress made in implementing part-financed measures. Except in duly justified cases, these reports should include information on expenditure actually incurred which is compatible with the last certificates received before submission of the annual report;
- (c) transmission by the Member State to the Commission of a certificate confirming the information contained in the application for payment and the reports.

Declaration of expenditure and application for payment acceptable to the Commission

21. The date from which expenditure is eligible is stated in the decision to grant assistance.

Declarations of expenditure submitted to support any application for payment must show the expenditure broken down by year and sub-programme and/or category of measure or action and the total amount of such expenditure, so demonstrating the link between the indicative financing plan and expenditure actually undertaken. Certificates of expenditure must have been based on the detailed statements of expenditure referred to in paragraph 3.

22. All payments made by the Commission as part of a grant of assistance are made to the authority or national, regional or local body designated by the Member State, normally within two months of receiving an acceptable application. The Commission shall inform the authority or body concerned, within the same timescale, where the application is not acceptable.

23. The Member State must ensure that requests for payment and statements of expenditure are, as far as possible, submitted at regular intervals throughout the year.

Use of the ecu and conversion rates, indexation procedure

24. In accordance with Article 22 of Regulation (EEC) No 4253/88 and the provisions of the Commission Regulation (EEC) No 1866/90 of 2 July 1990 on arrangements for using the ecu for the purposes of the budgetary management of the Structural Funds,¹ as amended by Regulation (EC) No 402/94,² all commitments and payments are made in ecus.

¹ OJ L 170, 3.7.1990, p. 36.

² OJ L 54, 25.2.1994.

25. In accordance with Article 5(3) of Regulation (EEC) No 1866/90, statements of expenditure in national currency are converted into ecus at the rate for the month in which the Commission receives the statements.

26. In accordance with Articles 2 and 4 of Regulation (EEC) No 1866/90 the financing plans for Community support frameworks (CSFs), single programming documents (SPDs) and the assistance (including grants of assistance for Community initiatives) are drawn up in ecus and do not give rise to indexation, subject to the following provisions.

27. Each year the overall Community assistance for the CSFs, SPDs and the proposals for Community initiatives (CIs) is supplemented by additional resources arising from the indexation of the Structural Funds and the FIGG. These resources are based on an annual breakdown of the Community assistance in ecus set out in the Commission decisions approving the CSFs and the SPDs and those proposing CIs to the Member States. The annual breakdown, at the prices for the year in which each decision is taken, must be calculated in a manner compatible with the progressive increase in the commitment appropriations shown in Annex II to Regulation (EEC) No 2052/88 as amended. For indexation purposes this compatibility must be maintained throughout the period of implementation of the CSFs, SPDs and CIs.

The Commission decisions will contain also, for guidance, the initial forecast breakdown between the Funds and the FIGG contained in the financing plans, with the proviso that this breakdown may be altered subsequently in the light of programming changes.

28. Indexation is based on a single rate per year, corresponding to the rates applied annually to budget appropriations on the basis of the mechanism for the technical adjustment of the financial perspectives.

29. The additional financial resources generated by the indexation of each Community support framework (CSF), single programming document (SPD) or proposal for a Community initiative (CI) are obtained as follows:

Not later than the beginning of each year the Commission applies the indexation rate for the year in question to the annual instalments for that year and subsequent years in the most recent indexed version of the annual breakdown of Community assistance for each CSF, SPD or proposal for a Community initiative contained in the Commission decision approving the CSF, SPD or proposal for a Community initiative.

The difference between the allocation thus obtained and that resulting from the preceding indexation operation constitutes the additional financial resources generated by the indexation for the year in question.

This procedure is equivalent to breaking down, in proportion to the total financial allocation for the CSF, SPD and CI proposals, the additional amounts produced by the indexation of the appropriations shown in Annex II to Regulation (EEC) No 2052/88.

30. The additional financial resources generated by the indexation of each CSF, SPD and CI proposal are allocated as follows:

The Monitoring Committee for the CSF, SPD or CI proposes the allocation¹ of the additional financial resources generated by the indexation of the CSF, SPD and CI proposals by reinforcing certain existing measures and/or setting up new operations.

¹ The allocation need not necessarily be made each year. For example, where the amounts for CSFs or SPDs are relatively small, the additional resources generated by indexation can be aggregated and allocated as a single operation in the final year of the CSF or SPD.

This allocation of resources always differentiates between amounts to be allocated to the CSF/SPD as such (national initiatives) and those for Community initiatives.

On the basis of that proposal the Commission decides formally to grant additional assistance or to fund new operations in accordance with the procedures in force.

Financial control and irregularities

31. Checks may be carried out in accordance with Article 23(2) of Regulation (EEC) No 4253/88 both by the Member State and by the Commission to ensure that funds are being spent in accordance with the objectives laid down, the rules in force and the principles of sound financial management. The checks must enable the Commission to ensure that all expenditure charged to assistance has actually been incurred, and is correct, eligible and regular. The Member State and the Commission will exchange immediately all relevant information concerning the results of these checks in accordance with Commission Regulation (EC) No 1681/94 of 12.7.1994 concerning irregularities and the recovery of sums wrongly paid in connection with the financing of the structural policies and the organization of an information system in this field.

The Member State shall keep available for the Commission all national audit reports drawn up on each form of assistance.

32. Pursuant to Article 23(3) of Regulation (EEC) No 4253/88, for a period of three years following the last payment in respect of an assistance the authorities responsible for implementation shall keep available for the Commission all supporting documents concerning expenditure and checks relating to the operation.

Prevention and detection of irregularities

Reduction, suspension and cancellation of assistance

Recovery of sums wrongly paid

33. The Commission Regulation No 1681/94 of 12.7.1994¹ contains detailed provisions for the implementation of the second indent of Article 23(1) of Regulation (EEC) No 4253/88 as amended.

34. The Member State and the beneficiaries shall ensure that the Community finance is used for the purposes intended. If an operation or measure appears to justify only part or none of the assistance allocated, the Commission may reduce or suspend the assistance and the Member State will then recover the sums due as provided for in Commission Regulation (EEC) No 1865/90 of 2 July 1990 concerning interest on account of late payment to be charged in the event of late payment of assistance from the Structural Funds.² The authority responsible for repaying to the Commission sums wrongly paid is the authority designated by the Member State and referred to in paragraph 22. In disputed cases, the Commission will undertake a suitable examination of the case in the framework of the partnership, in particular requesting the Member States or other authorities designated by it to implement the operation to submit their comments within two months. Commission Regulation No 1681/94 shall apply.

35. If there is considerable delay in implementing an assistance, the Commission, in cooperation with the Member State, may consider reallocating the resources of the Funds by reducing the financial allocation to that assistance. This does not mean a reduction in the financial allocation to the CSF.

¹ OJ L 178, 12.7.1994.

² OJ L 170, 3.7.1990, p. 35.

Procedure for closure of the assistance

36. The decisions to grant assistance lay down time-limits for implementation which relate both to the adoption of legally binding provisions and the commitment by the Member State of the financial resources required and to the closure of payments to the final beneficiaries. At the request of the Member State, duly made before expiry of the time-limits and supported by information establishing the justification for such a change, the Commission services may extend the time-limits by not more than one year. If the extension requested is for more than one year, a formal Commission decision is required.

37. No expenditure incurred after the end date, as extended where appropriate, may be taken into consideration for the grant of assistance from the Structural Funds.

4.3. Compliance with Community policies

Under Article 7 of Regulation (EEC) No 2052/88 as amended, measures financed by the Structural Funds or the FIFG must comply with the provisions of the Treaties, with the instruments adopted pursuant thereto and with Community policies. This compliance is verified in the examination of requests for funding as well as during the implementation of measures.

1. The competition rules

1.1. If the Community is to part-finance State aid schemes, the Commission must approve such aid in accordance with Articles 92 and 93 of the Treaty.

Under Article 93(3), Member States must notify the Commission of any measure granting, altering or extending State aids to firms.

However, aid which complies with the *de minimis* conditions set out by the Commission in the Community guidelines on aid to small and medium-sized enterprises¹ does not have to be notified and so does not require prior approval. It must comply with the implementing rules set out by the Commission in its letter to the Member States of 23 March 1993.

1.2. In addition, specific obligations as regards notification apply to aid granted in certain industrial sectors in accordance with the following Community rules:

- | | |
|-------------------------------|--|
| – steel (NACE 221) | ECSC Treaty, and in particular
Decision 91/3855/ECSC |
| – steel (NACE 222) | Commission Decision 88/C 320/03 |
| – shipbuilding (NACE 361.1-2) | Council Directive 93/115/EEC |
| – synthetic fibres (NACE 260) | Commission Decision 92/C 346/02 |
| – motor vehicles (NACE 351) | Commission Decision 89/C 123/03
extended by Commission Decision
93/C 36/17 |

¹ OJ C 213, 19.8.1992.

2. Award of contracts

2.1. Implementation of measures part-financed by the Structural Funds or the FIFG must comply with Community policy and directives for the award of contracts.

2.2. Pursuant to Article 25(6) of Regulation (EEC) No 4253/88, notices sent for publication in the *Official Journal of the European Communities* pursuant to those directives must specify the projects in respect of which Community assistance has been applied for or granted.

2.3. Applications for assistance in respect of the major projects referred to in Article 16(2) of Regulation (EEC) No 4253/88 must include a complete list of contracts already awarded and the relevant written reports when these are required under the public contracts directives. An updated version of this information is to be sent to the Commission with the application for payment of the balance for contracts awarded in the meantime.

In the case of other projects, in particular those included in operational programmes and forming part of structures¹ whose total value is above the thresholds laid down by Article 16(2) of Regulation (EEC) No 4253/88, the written report on each contract awarded, when provided for in the public contracts directives, shall be made available to the Monitoring Committee and sent to the Commission if it so requests.

3. Protection of the environment

3.1. Measures part-financed by the Structural Funds and the FIFG must abide by the principles and objectives of sustainable development as laid down in the 'Community programme of policy and action in relation to the environment and sustainable development' included in the Council Resolution of 1 February 1993.² They must also comply with Community legislation on the environment. Priority must be given to achieving the objectives set out in that legislation insofar as it is connected with the regional development envisaged.

3.2. For programmes or other similar operations (global grant or aid scheme) likely to have a significant impact on the environment, the Member States shall, as required by Article 14 of Regulation (EEC) No 4253/88, enclose with their application information to enable the Commission to evaluate the impact on the environment.

Applications for assistance concerning the major projects referred to in Article 16(2) of Regulation (EEC) No 4253/88 must be accompanied by a questionnaire on the assessment of the environmental impact of the project concerned pursuant to Directive 85/337/EEC.³ This same questionnaire must accompany the information sent to the Commission concerning the large projects submitted for assistance from the ERDF in the framework of an operational programme as foreseen under Article 5 of Regulation (EEC) No 4254/88.

4. Equal opportunities for men and women

The measures part-financed by the Structural Funds and the FIFG must comply with, and where appropriate contribute to, Community policy and legislation on equal opportunities for men and women. In particular, consideration should be given to applications concerning investments and training which facilitate the return to the labour market of people with children.

¹ 'Structure' means a series of building or civil engineering works which have a technical or economic function in their own right.

² OJ C 138, 17.5.1993.

³ OJ L 175, 5.7.1988.

5. Other Community policies

Measures part-financed by the Structural Funds and the FIG must comply with the other Community policies provided for in the Treaties, in particular the establishment of a space without internal borders, the common agricultural policy in all its aspects including the exclusions at points 1(b) and 2 of the Annex to Commission Decision 94/174/EC,¹ the common fisheries policy in all its aspects, social policy, industrial policy, policies concerned with energy, transport, telecommunications and information techniques, trans-European networks and research and development.

6. General provisions

In implementing Community assistance, the Member States shall take all appropriate measures, whether general or specific, to ensure fulfilment of the obligations arising out of the Treaties or resulting from action taken by the institutions of the Community.

For its part, the Commission shall ensure respect of Community legislation arising from the treaties. The Member States shall facilitate the Commission's achievement of this task. To this end, they shall provide, at the Commission's request, any useful information required.

If the Commission considers that Community legislation has not been complied with in the case of a particular measure, it shall, in accordance with Article 24 of Regulation (EEC) No 4253/88, examine the case in the framework of the partnership, in particular requesting that the Member State or authorities designated by it to implement the operation submit their comments within a specified period of time.

If that examination confirms the existence of an irregularity, the Commission may initiate infringement proceedings under Article 169 of the Treaty. Once this has been done (by the sending of a letter of formal notice), the Commission will suspend Community assistance to the project in dispute.

¹ OJ L 79, 23.3.1994.

COMMISSION DECISION

of 29 July 1994

on the adoption of the single programming document for Community structural assistance in the region of Merseyside concerned by Objective 1 in the United Kingdom

(Only the English text is authentic)

(94/636/EC)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EEC) No 4253/88 of 19 December 1988 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards coordination of the activities of the different Structural Funds between themselves and with the operations of the European Investment Bank and the other existing financial instruments⁽¹⁾, as amended by Regulation (EEC) No 2082/93⁽²⁾, and in particular Article 10 (1) last subparagraph thereof,

After consultation of the Advisory Committee on the Development and Conversion of Regions, the Committee referred to in Article 124 of the Treaty, and the Management Committee on Agricultural Structures and Rural Development,

Whereas the programming procedure for structural assistance under Objective 1 is defined in Article 8 (4) to (7) of Council Regulation (EEC) No 2052/88 of 24 June 1988 on the tasks of the Structural Funds and their effectiveness and on coordination of their activities between themselves and with the operations of the European Investment Bank and the other existing financial instruments⁽³⁾, as amended by Regulation (EEC) No 2081/93⁽⁴⁾; whereas, however, the last subparagraph of Article 5 (2) of Regulation (EEC) No 4253/88 foresees that in order to simplify and to speed up programming procedures, Member States may submit in a single programming document the information required for the regional development plan referred to in Article 8 (4) of Regulation (EEC) No 2052/88 and the information required at Article 14 (2) of Regulation (EEC) No 4253/88; whereas Article 10 (1) last subparagraph of Regulation (EEC) No 4253/88 foresees that in that case the Commission adopts a single decision in a single document covering the points referred to in Article 8 (3) and the assistance from the Funds referred to in the last subparagraph of Article 14 (3);

⁽¹⁾ OJ No L 374, 31. 12. 1988, p. 1.

⁽²⁾ OJ No L 193, 31. 7. 1993, p. 20.

⁽³⁾ OJ No L 185, 15. 7. 1988, p. 9.

⁽⁴⁾ OJ No L 193, 31. 7. 1993, p. 5.

Whereas the Government of the United Kingdom submitted to the Commission on 4 November 1993 the single programming document referred to in Article 5 (2) of Regulation (EEC) No 4253/88 for the region of Merseyside; whereas this document contains the elements referred to in Article 8 (4) and (7) and in Article 10 of Regulation (EEC) No 2052/88;

Whereas the single programming document submitted by the Member State includes a description of the priorities selected and the applications for assistance from the European Regional Development Fund (ERDF), the European Social Fund (ESF), the European Agricultural Guidance and Guarantee Fund (EAGGF), Guidance Section, as well as an indication of the planned use of the assistance available from the European Investment Bank (EIB) and the other financial instruments in implementing the single programming document;

Whereas, in accordance with Article 3 of Regulation (EEC) No 4253/88, the Commission is charged with ensuring, within the framework of the partnership, coordination and consistency between assistance from the Funds and assistance provided by the EIB and the other financial instruments, including the European Coal and Steel Community (ECSC) and the other actions for structural purposes;

Whereas the EIB has been involved in the drawing up of the single programming document in accordance with the provisions of Article 8 (1) of Regulation (EEC) No 4253/88, applicable by analogy in the establishment of the single programming document; whereas it has declared itself prepared to contribute to the implementation of this document on the basis of the forecast loan packages shown in this Decision and in conformity with its statutory provisions;

Whereas Article 2 second subparagraph of Commission Regulation (EEC) No 1866/90 of 2 July 1990 on arrangements for using the ecu for the purpose of the budgetary management of the Structural Funds⁽⁵⁾, as amended by Regulation (EC) No 402/94⁽⁶⁾, stipulates that in the Commission decisions approving a single programming document, the Community assistance available for the entire period and the annual breakdown thereof shall be set out in ecus at prices for the year in

⁽⁵⁾ OJ No L 170, 3. 7. 1990, p. 36.

⁽⁶⁾ OJ No L 54, 25. 2. 1994, p. 9.

which each decision is taken and shall be subject to indexation; whereas this annual breakdown must be compatible with the progressive increase in the commitment appropriations shown in Annex II to Regulation (EEC) No 2052/88; whereas indexation is based on a single rate per year, corresponding to the rates applied annually to budget appropriations on the basis of the mechanism for the technical adjustment of the financial perspectives;

Whereas Article 1 of Council Regulation (EEC) No 4254/88 of 19 December 1988 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the European Regional Development Fund ⁽¹⁾, as amended by Regulation (EEC) No 2083/93 ⁽²⁾, defines the measures for which the ERDF may provide financial support, referring specifically to the measures eligible pursuant to Objective 1;

Whereas Article 1 of Council Regulation (EEC) No 4255/88 of 19 December 1988 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the European Social Fund ⁽³⁾, as amended by Regulation (EEC) No 2084/93 ⁽⁴⁾, defines the measures for which the ESF may provide financial support;

Whereas Article 1 of Council Regulation (EEC) No 4256/88 of 19 December 1988 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the EAGGF Guidance Section ⁽⁵⁾, as amended by Regulation (EEC) No 2085/93 ⁽⁶⁾, defines the measures for which the EAGGF Guidance Section may provide financial support for the implementation of measures pursuant to Objective 1;

Whereas the single programming document has been established in agreement with the Member State concerned through the partnership defined in Article 4 of Regulation (EEC) No 2052/88;

Whereas the single programming document satisfies the conditions and includes the information required by Article 14 of Regulation (EEC) No 4253/88;

Whereas the present assistance satisfies the conditions laid down in Article 13 of Regulation (EEC) No 4253/88, and so should be implemented by means of an integrated approach involving finance from more than one Fund;

Whereas Article 1 of the Financial Regulation of 21 December 1977 applicable to the general budget of the European Communities ⁽⁷⁾, as last amended by

⁽¹⁾ OJ No L 374, 31. 12. 1988, p. 15.

⁽²⁾ OJ No L 193, 31. 7. 1993, p. 34.

⁽³⁾ OJ No L 374, 31. 12. 1988, p. 21.

⁽⁴⁾ OJ No L 193, 31. 7. 1993, p. 39.

⁽⁵⁾ OJ No L 374, 31. 12. 1988, p. 25.

⁽⁶⁾ OJ No L 193, 31. 7. 1993, p. 44.

⁽⁷⁾ OJ No L 356, 31. 12. 1977, p. 1.

Regulation (Euratom, ECSC, EEC) No 610/90 ⁽⁸⁾, states that the legal commitments entered into for measures extending over more than one financial year must contain a time limit for implementation which must be specified to the recipient in due form when the aid is granted;

Whereas all the other conditions laid down for the grant of aid from the ERDF, the ESF, and the EAGGF, Guidance Section, have been complied with,

HAS ADOPTED THIS DECISION:

Article 1

The single programming document for Community structural assistance in the region of Merseyside concerned by Objective 1, covering the period 1 January 1994 to 31 December 1999, is hereby approved.

Article 2

The single programming document includes the following essential information:

- (a) a statement of the main priorities for joint action, their specific quantified objectives, an appraisal of their expected impact and their consistency with economic, social and regional policies in Merseyside;

the main priorities are:

1. Action for Industry: inward investment and key corporate business development;
2. Action for Industry: indigenous enterprise and local business development;
3. Action for Industry: knowledge based industries and advanced technology development;
4. Action for Industry: developing the cultural, media and leisure industries; and
5. Action for the People of Merseyside: pathways to integration, a better training system, community development and a better quality of life;

⁽⁸⁾ OJ No L 70, 16. 3. 1990, p. 1.

- (b) the assistance from the Structural Funds as referred to in Article 4;
- (c) the detailed provisions for implementing the single programming document comprising:
 - the procedures for monitoring and evaluation,
 - the financial implementation provisions,
 - the rules for compliance with Community policies;
- (d) the procedures for verifying additionality and an initial evaluation of the latter;
- (e) the arrangements for associating the environmental authorities with the implementation of the single programming document.

Article 3

For the purpose of indexation, the annual breakdown of the global maximal allocation foreseen for the assistance from the Structural Funds is as follows:

<i>ECU million (1994 prices)</i>	
1994	111,96
1995	121,11
1996	129,83
1997	138,87
1998	150,93
1999	163,30
Total	816,00

Article 4

The assistance from the Structural Funds granted to the single programming document amounts to a maximum of ECU 816 million.

The procedure for granting the financial assistance, including the financial contribution from the Funds to the various priorities and measures which the single programming document comprises, is set out in the financing plan annexed to this Decision ⁽¹⁾.

The national financial contribution as indicated in the financing plan may be met in part by Community loans

⁽¹⁾ Annex not published in the Official Journal.

from the European Investment Bank and other types of loans. In indicative terms, EIB loans could reach ECU 250 million.

Article 5

1. The breakdown among the Structural Funds of the total Community assistance available is as follows:

— ERDF	ECU 475 million
— ESF	ECU 338 million
— EAGGF, Guidance Section	ECU 3 million

2. The budgetary commitment for the first instalment is as follows:

— ERDF	ECU 65,17 million
— ESF	ECU 46,38 million
— EAGGF, Guidance Section	ECU 0,41 million

Commitments of subsequent instalments will be based on the financing plan for the single programming document and on progress in its implementation.

Article 6

The breakdown among the Structural Funds and the procedure for the grant of the assistance may be altered subsequently, subject to the availability of funds and the budgetary rules, in the light of reprogramming decided according to the procedure laid down in Article 25 (5) of Regulation (EEC) No 4253/88.

Article 7

The Community aid concerns expenditure on operations under the single programming document which, in the Member State concerned, are the subject of legally binding commitments and for which the requisite finance has been specifically allocated no later than 31 December

1999. The final date for taking account of expenditure on these measures is 31 December 2001.

Article 9

This Decision is addressed to the United Kingdom.

Article 8

The single programming document shall be implemented in accordance with Community law, and in particular Articles 7, 30, 48, 52 and 59 of the EC Treaty and the Community directives on the coordination of procedures for the award of contracts.

Done at Brussels, 29 July 1994.

For the Commission
Bruce MILLAN
Member of the Commission

European Commission

Merseyside — Single programming document 1994-99

Objective 1: Structural development and adjustment of regions whose development is lagging behind

Luxembourg: Office for Official Publications of the European Communities

1995 — 166 pp. — 21.0 x 29.7 cm

ISBN 92-826-8799-6

Price (excluding VAT) in Luxembourg: ECU 19



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