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EXECUTIVE SUMMARY

I Chapter 1: Introduction

The first chapter of the Evaluation report provides an overview of the objectives of the URBAN Community Initiative and introduces the context and methods used for the Evaluation exercise.

The URBAN Community Initiative was established with an ambitious agenda to tackle the problems facing some of the most disadvantaged communities in the UK, and to develop solutions with the active participation of local communities in the design and implementation of a co-ordinated response.

The essential features of URBAN have been:

- Active participation of the community in the development of an Action Plan (though this has varied considerably between regions);
- Early capacity building to allow community groups to participate in the development of the Action Plan in a meaningful way (again, this has not been carried out in all cases);
- The delegation of decision making to an URBAN Partnership Group (UPG), with significant community representation;
- The delegation of financial and other monitoring arrangements to an Accountable Body; and
- On-going capacity building to allow community groups to participate in the implementation of the Action Plan, both in the decision making structures and as project sponsors/deliverers.

The purpose of the Interim Evaluation was to assess the effectiveness of the administrative framework and of the Action Planning process of the URBAN Programme and to evaluate the delivery of the URBAN programme in relation to the active participation of partners in implementation. In addition to the Evaluation report, a best practice handbook has been produced on the basis of case studies forwarded from various UK-URBAN regions.

II Chapter 2 : Review Of Financial Performance

Chapter two reviews the financial performance of the 19 URBAN areas in England, Scotland and Wales and estimates the expenditure situation at the programme commitment deadline in December 1999.

Following a delayed approval of Action Plans, the URBAN programme experienced a slow start in spending due to difficulties in dealing with the involved bureaucracy, and in securing match-funding.

Despite a certain lack of quality in monitoring information received, the tables, given in this chapter, indicate that at July '99, many regions had a financial commitment of between 50% and 60% of their overall URBAN fund allocation.

Regarding the financial situation at the end of programme commitment date (31/12/99) and based on interview findings, the expected under-spend of the UK-URBAN allocation, can be assumed to be between 10 % and 20% of the original UK budget. This is between 10 and 20 MECU, or an average of up to 1 MECU per URBAN region.

III Chapter 3 : The Action Planning

Chapter Three examines the Action Planning Process as a new approach to local economic development and reviews the URBAN Action Plans produced by each region.

Following the approval of the original URBAN programme applications, including Round 1 (1996) and Round 2 (1998), the Action Planning process commenced by the development of local partnerships and the design of local Action Plans. The unique feature of Action Planning under URBAN was the emphasis on community led regeneration, and the establishment of community-led URBAN Partnership groups (UPG).

By reviewing the community involvement during the design phase of URBAN Action Planning, the Evaluation shows that the extent to which local communities were consulted in the design of Action Plans varied between regions. This was mainly due to a lack of clear guidance for Local Authorities on the extent and definition of community involvement. In most cases, however, the Action Planning Process was based on the additional involvement of the community and voluntary sectors and their subsequent inclusion in URBAN Partnership Groups.

This inclusion of the community and voluntary sectors required extensive capacity building as part of the development process. Although eligible for support in advance of the Action Plan being approved, in many cases capacity building was not supported, reducing the real involvement of the community in the development of the Action Plan.

The chapter analyses the strengths and weaknesses of Action Plans and presents a comparative table. Action Plans were acknowledged to be powerful delivery mechanisms by the majority of those consulted, provided sufficient time and funding was made available to develop a meaningful contribution by the local community.

A number of suggestions have been presented relating to good practice. These mainly relate to the need for clear and comprehensive guidance to inform the process of successful community involvement, and the relaxation of SPD output requirements for community oriented programmes and Action Plan targets.

Key recommendations relating to Chapter Three are that:

- DETR/DTI produces a comprehensive reference manual for ERDF, to be made available to all of those involved in Structural Fund Programmes, including local UPG members
- DETR/DTI produce an URBAN specific supplement for the new Programme, to be included in the reference manual and distributed to new partners and community groups.
- Action Plans should continue to be the preferred delivery mechanism for URBAN initiatives.
- the development of Action Plans should be accompanied by up-front, 100% funded capacity-building activities of UPG members and involved groups and/or individuals.
- Action Plans must incorporate networking as an activity and budget line.
- a broader, and separate range of indicators are developed for the new URBAN Programme (and for any URBAN type initiatives funded through future Objective 1 and 2 Programmes), that take account of the range of projects that have been funded in the current Programme and which recognise that results and impacts may be indirect or longer term.

IV Chapter 4 : Capacity-Building and The Facilitation of Community Involvement

Following the review of the Action Planning design process, Chapter Four assesses in more detail the capacity building activities undertaken by URBAN and to what extent the programme was made accessible to local communities.

The range of capacity building initiatives delivered under URBAN encompassed various levels, including UPG members regarding their programme management skills, project applicants with regard to their technical project management skills and the local communities regarding awareness and confidence raising action. The chapter highlights various examples of capacity building initiatives in various URBAN regions.

The overall opinion of those involved in URBAN was that the qualitative benefits of capacity building measures, despite their significant impact for the local communities in the long-term, were undervalued by URBAN project-selection criteria and output targets. This might have also contributed to difficulties in raising match funding for capacity building activities.

The overall accessibility of URBAN was perceived as problematic for local communities, particularly with regard to consistency and reliability of information. In addition to the “Euro-jargon” used in most documentation, URBAN application processes and mechanisms were seen as much too complicated and bureaucratic to engage fully community organisations. Many URBAN partners considered the ERDF and ESF application forms inappropriate for community based and small-scale projects.

As a consequence of the identified difficulties for communities to access URBAN, the employment of dedicated programme staff was regarded as essential to effectively facilitate a community led approach of URBAN.

URBAN participants felt that there was little room for innovative schemes, or pilot actions, as URBAN was perceived as output driven with no time nor space for experiment. Having said this, in the majority of URBAN areas, project leadership by target/minority groups was high and there were some good examples of target group involvement.

Key recommendations relating to the facilitation of community involvement are that :

- the financial structure of Action Plans should incorporate start-up 100% funding for capacity-building measures and small-scale grant schemes.
- capacity building, to increase the ability of community groups to develop and implement projects, should be recognised as an on-going process, and should be a key element of all future URBAN initiatives.
- the number and variety of community and target groups and/or individuals actively involved in URBAN Programmes should be a key performance indicator.
- the implementation of Action Plans should be facilitated by a dedicated, well qualified staff team.
- up to a maximum of 10% of funds (across all Measures) be made available for innovative/pilot projects, such as exploring alternative avenues within the parameters of eligibility, but where there is a higher than average degree of risk as regards achievement of targets.
- a broader, and separate range of indicators are developed for the new URBAN Programme (and for any URBAN type initiatives funded through future Objective 1 and 2 Programmes), that take account of the range of projects that have been funded in the current Programme and which recognise that results and impacts may be indirect or longer term.

V Chapter 5 : Administrative and the Functioning of Partnerships

Chapter Five, the most extensive section of the report, considers the effectiveness of the UPG as central decision making body in relation to programme management, internal partnership development, and its relationship with other key administrative partners in URBAN.

The URBAN Partnership Group brought together representatives from the community/voluntary sectors, the business sector, and residents with the established statutory agencies and local authorities. Many Urban Partnership Groups were built on existing structures, often established under SRB or Objective One programmes. The report highlights various regions with their UPG set up, including regions with newly built structures.

The chapter continues to discuss issues of staff and servicing arrangements of UPGs, and it further looks at the challenges of establishing a truly community-led decision making process and a working partnership between the professional and community groups.

Overall, the merging of the professional organisations with community groups needed time to grow and mature. At the beginning of the process, most regions experienced a lack of mutual understanding and trust, which made it difficult to deliver URBAN as efficiently as it was necessary under the given time constraints. It was, however, commonly reported that the co-operation and partnership between all sectors improved considerably over time alongside an improved understanding of the complexities of the URBAN Programme.

The chapter then looks at the UPG's handling of project development, project selection and programme monitoring issues. The lack of more appropriate, simpler application forms was a considerable problem for UPGs to involve community groups in URBAN and, usually, a two stage application process was developed in consequence.

In most regions, Appraisal Panels, appointed by the UPG, undertook the scoring of applications, which were then forwarded to the UPG Board for approval/rejection. Selection criteria were usually designed by Government Offices and formed the basis for any appraisal process.

The design and operation of appropriate monitoring systems proved to be demanding and time consuming for UPGs. The merging of URBAN with SRB processes met with little success and, usually, a specific URBAN monitoring/claiming system had to be set up. UPGs and project applicants required intensive briefing and mentoring to accommodate EU requirements.

Chapter five continues by looking at all administrative structures incorporated in URBAN, the Accountable Body, Government Office, the URBAN Management Committee, and the UK URBAN Network. In most regions, local authorities were appointed by UPGs as Accountable Bodies to execute financial management and accountability procedures for the Programme.

Local authorities have played an important role as the Accountable Body. There are a number of factors that have made this role far from straightforward. These include:

- a failure to provide adequate resources for Accountable Bodies (and this is a time consuming role, requiring in many cases additional staff resources);
- uncertainty over the eligibility of particular activities, with conflicting advice from different Government Departments (leaving the Accountable Body in the difficult position of having to arbitrate or assume a risk with regard to any liberal interpretation of the rules); and
- a lack of guidance on the degree of risk or innovation that should be allowed for particular types of activities.

Local authorities have set procedures in place, were familiar with reporting to external bodies through their involvement in SRB and other funds, and had access to support services, such as legal advice, where necessary, and were in a position to cashflow a proportion of expenditure.

Over time working relationships between UPGs and Accountable Bodies improved and differences in approach and agenda were often overcome by the appointment of nominated, dedicated UPG officers, who could be seen as more independent and objective.

Government Offices had overall responsibility for the URBAN Community Initiative and were represented on the Programme Monitoring Committee and URBAN Management Committee to oversee programme implementation and complementary issues. Overall, Government Offices were regarded as helpful and supportive in dealing with technical issues, even if there were initial difficulties regarding consistency and delays. Action Planning was as much a new approach for Government Offices as it was for any other involved sector.

The role and function of the URBAN Management Committee was often merged with the regional Programme Monitoring Committees (PMC) responsible for overseeing Structural Funds.

Regarding the UK URBAN Network, which actively supported the URBAN regions since June 1998, the overall assessment was, that the Network delivered a comprehensive service and proved to be a positive vehicle for UPGs to receive information, to connect and to share experiences.

Key recommendations of Chapter Five include that:

- UPGs commit to changing membership to allow new groups and/or individuals an opportunity to participate in the management of the Action Plan, on the basis that UPG members

- must be accountable to broader local structures so that transparency and democracy can be assured;
- the co-financing of Action Plans in advance, or centrally, should be used to introduce simplified application procedures for project sponsors;
 - Service Level Agreements ought to be established between UPG and Accountable Body;
 - all additional costs involved in providing the Accountable Body function should be eligible for technical assistance;
 - forward funding should be considered more widely by Accountable Bodies in order to overcome cash-flow problems of smaller applicant organisations;
 - the URBAN Network should open its membership to UPGs funded through Objective 1 and Objective 2 funded Groups;
 - the URBAN Network should be eligible for technical assistance in future programmes; and
 - that in future Programmes a national Programme Monitoring Committee should be established.

VI Chapter 6 : Match Funding and Complementarity

Chapter Six reviews Match Funding resources under URBAN and highlights some examples of innovative approaches regarding in-kind funding and up-front co-financing schemes.

The overwhelming majority of URBAN community partners regarded match-funding as the major barrier to a successful involvement of local community groups in URBAN. Not only was the overall concept of match-funding difficult to comprehend for small community organisations, but also expected 'perfect' match funding sources, like SRB, were often not un-problematic to access for URBAN projects. In most areas, Government Office and local authorities were unprepared for the differences, which existed between both programmes.

The other important sources of match-funding were local authority budgets. In some cases local authorities provided ring fencing of budgets and up-front funding to project applicants, which proved most helpful to overcome cash flow and match funding problems usually experienced by small organisations.

The use of contributions 'in-kind', or volunteer time as match-funding was, apart from one key example explained in the chapter, limited, as some Government Offices were unaccustomed to its eligibility status. The lack of clarity around the in-kind contribution issue worked against community involvement and allocation of URBAN funds in areas of real need and community based activity.

Alternatives to match funding were strongly recommended in the form of Community Chests and Key Funds, which represented a much more accessible form of support for local communities.

The main recommendation for future programmes was, to arrange for match-funding if not at source, then at least at measure level up-front. 60% and 70% of future URBAN (and URBAN type) Action Plans should be co-financed in advance i.e. when the Action Plan is agreed. This would not only help the local community in accessing funding in a more simple manner, but it would also contribute directly to a more strategic use of available resources in a given region.

VII Chapter 7 : Conclusions and Recommendations

This last chapter of the report combines the overall conclusions of the Interim Evaluation with a number of recommendations, which have been developed to strengthen future URBAN type programmes.

Throughout the consultation process considerable support for the aims and objectives of URBAN was expressed by the European Commission, Government Offices, local authorities, and community and voluntary groups. The Programme has benefited from considerable goodwill, and a determination by a range of organisations to make URBAN work.

There are three factors that have affected both the perception of URBAN and its implementation. These are:

- An under-estimation of the time needed to develop Action Plans in the URBAN model (the need to develop and agree terms of reference for Action Plans, and the time and effort to build capacity to ensure genuine community participation);
- A failure to simplify procedures, with the continued use of ERDF and ESF application forms and the absence of authoritative and consistent guidance on a number of issues; and
- Raised expectations as to what URBAN could support, with a subsequent disappointment when key areas of activity were deemed (correctly) to be ineligible, such as housing.

While these difficulties have affected the early stages of the URBAN Programme in the UK, there is a considerable confidence that URBAN Groups will now go on to effectively deliver the agreed Action Plans. There are likely to be a number of other problems that will emerge over the next two years, but both UPGs and Accountable Bodies are now more confident in their roles, and the determination and resilience of spirit that has characterised those involved in URBAN should ensure that the majority of Action Plans are successfully implemented.

The URBAN Programme, to date, has been a qualified success, with the major obstacles now overcome. While the delays have been frustrating, the 1997-1999 experience should allow similar problems to be avoided in future.

The key conclusions of this Interim Evaluation are that:

- URBAN has successfully engaged community groups in the development of locally based regeneration activities;
- A successor Programme for the UK should be welcomed, although changes in organisation and procedures are required; and
- The experience of existing Groups should not be lost at the end of the current period, and where appropriate Urban Programme Groups should be supported to continue their work.

It would not be appropriate or reasonable at this stage to pass a final judgement on the efficiency and effectiveness of the URBAN approach after such a very short implementation period. Much has been learnt, and there is a base upon which to build. The Interim Evaluation concludes with the following remarks:

- URBAN Groups should be assessed not only on what they achieved in the 1997-1999 period and subsequent spend, but also on the extent to which they develop successor plans, or follow up actions, using the capacities developed from the URBAN experience;
- While the URBAN model is not a panacea, the evidence suggests that it can be an effective mechanism for some communities notably relatively small communities with a strong sense of identity;
- There is sufficient evidence for the new Objective 2 Programmes to use the URBAN model as one (but not the only) delivery mechanism for Community Economic Development;
- The success of future URBAN Groups is crucially dependent on the removal of a number of constraints identified in this report, and resolving these issues before the new URBAN and Objective 2 Programmes commence is of the highest priority;
- The ability of the current Groups to develop successor Plans should be regarded as a high priority, as part of the longer term assessment of the model, and this requires Objective 2 Plan Teams to anticipate the use of the model and take appropriate steps to begin the planning arrangements in advance of the new SPD being approved; and
- The structures and approaches involved in URBAN – Action Plans, Accountable Bodies, UPGS –are important elements of the model, but may not be appropriate in every circumstance. We have resisted

the temptation to recommend particular approaches that have worked in individual areas. The extent to which Groups are ready to take on more responsibilities varies considerably, and we would caution against a universal model that does not take account of local circumstances and capacity.

1 INTRODUCTION

1.1 BACKGROUND

The European URBAN Community Initiative was launched in 1994 in an effort to extend and improve co-ordination of local community support for the implementation of urban regeneration initiatives. URBAN seeks to address problems of lack of economic opportunity, low incomes and poor quality of life in disadvantaged urban areas, particularly among groups who have difficulty accessing mainstream regeneration programmes. It supports schemes for economic and social revitalisation and renovation of infrastructures and facilities, focusing particularly on promotion of equality of opportunity, tackling long-term unemployment and environmental improvement.

The European Commission Guidelines (96/C200/04) identified target areas as neighbourhoods in cities and urban agglomerations with a population of more than 100,000, and which were experiencing high levels of unemployment, a decayed urban fabric, and poor housing and amenities. Priority was given to urban areas in Objective 1 regions.

The intention of URBAN in the UK is to foster a community-led approach to creating innovative projects which form part of a long-term strategy for urban integration. A key theme of the Initiative is the recognition that urban issues should be tackled in an integrated way, providing a comprehensive response to economic, social and environmental problems. URBAN should also be additional to and supportive of actions promoted by other European Programmes, national initiatives and local projects.

According to the Consultant's brief, there are six key principles to be incorporated in individual URBAN programme submissions:

1. Concentration on the worst-affected communities, and groups within these communities;
2. Complementarity with other European and domestic funding sources;
3. Integration with other policies which impact on the communities involved;
4. Achieving a catalytic effect by encouraging change in existing funding streams in order to achieve greater overall effectiveness;
5. The involvement of communities in the design, management and implementation of projects; and
6. An increased focus on the long-term process of economic and social integration through the development of an Action Plan.

The DETR brief further described the eligible measures under URBAN as :

- Community capacity building and strategy development;
- Community and local business development;
- Provision of training and child-care facilities and resource centres;
- Community led environmental initiatives;
- Training and human resource development actions, including guidance and counselling.

The guiding principle of the administrative arrangements for all URBAN Programmes was to encourage community involvement and to simplify access to European funds. The administrative arrangements, outlined below, were agreed between the UK-Government and the European Commission and were contained in each UK-URBAN programme document:

the establishment of an URBAN Partnership Group (UPG), including local community representatives, which is responsible for the day to day implementation of the Initiative including project selection, appraisal and approval below a set level of grant. The first task of the UPG was to develop an URBAN Action Plan which was to form the basis for the delivery of a genuinely bottom-up local economic strategy reflecting community needs;

the appointment of a locally based Accountable Body to be financially accountable for expenditure;

a URBAN Management Committee, comprised of all the main funding agencies, to endorse the Action Plan and ensure its ongoing review. The Management Committee also undertakes capacity-building actions in the absence of community structures

Other relevant arrangements include:

- the relevant Programme Monitoring Committee (Objective 1 and 2) has responsibility for oversight of the Initiative, particularly in relation to complementarity with other European Programmes;
- the UK URBAN Network is an organisation that exchanges information, advice and best practice amongst the URBAN partnerships;
- Government Departments/Offices have overall responsibility for the administration of the URBAN Initiative.

1.2 EVALUATION OBJECTIVES

The objectives of this interim evaluation were:

- to assess the *effectiveness of the administrative framework* of the URBAN Programme in all designated areas with regard to management, implementation, and communication between key bodies;
- to determine the *effectiveness of the Action Planning process* as a whole, including its methods, structures and processes in respect of community involvement, and in relation to its realism of output targets and impacts;
- to evaluate the delivery of the URBAN programme in relation to the *active participation of partners in implementation*, with regard to community capacity-building activities and in relation to ‘matching funding’ issues; and
- to identify *areas of best practice* and to make *recommendations*, based on this analysis, for achieving efficient and effective use of resources under current and future Programmes.

The emphasis of the evaluation is on the appropriateness of the approach and processes which have been used to implement URBAN at the local level, rather than on examining achievements. This reflects the long-term nature of much of the work supported by URBAN, the relatively short time-scale within which Groups have operated, and the difficulties which have been experienced in merging top-down bureaucracy with bottom-up aspirations.

These aims are further elaborated through inter-related and overlapping objectives within the following themes:

- the effectiveness of the Programme management arrangements;
- the structures and processes supporting project selection;
- synergy and strategic linkages to other programmes;
- the development of strategic and innovatory capacity; and
- continuity and progression of the urban community development process.

1.3 METHOD

The Interim Evaluation included 19 URBAN Initiative areas in Britain (Northern Ireland undertook their own evaluation and was, therefore, not included). The Evaluation incorporated the following approaches:

- **a postal survey** of 400 individuals from a broad cross section of organisations involved in the Urban Partnership Group, as well as partners not represented on the formal structures;
- **review of 19 Action Plans and Monitoring Reports** covering financial performance to date and aggregate forecast data regarding project commitment and outputs;
- **13 regional workshops**, involving a cross-section of the partnership, used to further develop issues identified in the postal survey, particularly in relation to best practice and in identifying case studies;
- **30 face-to-face interviews**, carried out with Government Office staff, those responsible within the Accountable Body, Urban Partnership Group staff and community members, in order to provide a comprehensive qualitative assessment of the Programme.

Each stage informed the evaluation team of various aspects of URBAN in increasing depth and detail. The final report will give a synthesis of the findings according to the identified issues and will incorporate recommendations and a good practice guide to inform future community-led programmes.

The structure of the following report will start with an overall review of financial allocations and commitments achieved so far. This will be followed by a qualitative assessment of processes and structures, which will explain the underlying issues and problems which were faced by the URBAN initiative. The report will also incorporate lessons learnt and recommendations for future programmes.

2. REVIEW OF FINANCIAL PERFORMANCE

2.1 CONTEXT

The URBAN bidding process started with the official call for bids in 1994. In the United Kingdom, 19 inner city areas qualified for URBAN funding over two bidding rounds. The first round of submission in 1994 resulted in 14 approvals for England, Scotland and Wales, and the second provided funding for six additional urban areas in England (and Northern Ireland).. The designated areas cover Objective 1, Objective 2 as well as non-objective areas (6 UPG areas).

The total budget allocation for the UK URBAN initiative was MECU 105.311. The smallest allocation per area was circa 4.5 mecu (Leeds, Bristol and Brighton), the largest allocations were between 8 and 9 mecu for areas such as Birmingham, Manchester and Heart of East End in London. 20% of the overall URBAN allocation went to non-Objective regions in England.

URBAN PROGRAMME AREAS AND FINANCIAL ALLOCATION					
ROUND 1					
UPG Area	Objective 1	Population	ERDF £000s	ESF £000s	Total £000s
North Huyton	Objective 1	28,000	-	-	3,331
Liverpool Central	Objective 1	38,878	4,263	987	5,250
Netherton	Objective 1	22,000			
Birmingham	Objective 2	-	2,087	912	2,999
Heart of East End	Objective 2	50,000	4,737	1,434	6,171
Glasgow North	Objective 2	25,205	4,248	1,567	5,815
Paisley	Objective 2	28,837	3,117	954	4,071
Nottingham	Objective 2	21,000	3,889	805	4,694
Manchester	Objective 2	28,000	3,944	1,472	5,416
Sheffield	Objective 2	6,375			
Swansea	Objective 2	13,450	3,346	895	4,241
Park Royal Queens Park	Non-Objective	11,500	1,379	345	1,724
Park Royal - Shepherds Bush	Non-Objective	-	1,414	400	1,814
Royal Park -Brent	Non-Objective	6,100	1,379	345	1,705
ROUND 2					
Leasowe	Objective 1	7,449	1,332	282	1,614
Coventry	Objective 2	9,140	4,496	1,409	5,905
Brighton	Non-Objective	26,000	2,229	737	2,966
Bristol	Non-Objective	17,000	2,215	673	2,888
Leeds	Non-Objective	23,000	2,250	750	3,000

The URBAN Programme featured a range of areas from a population of less than 10,000 in areas such as Sheffield and Coventry, to much larger areas such as

Liverpool Central, The Heart of the East End (in London) and Paisley in Western Scotland.

The designated areas covered only a small proportion of the Community Economic Development areas designated under the Objective 2 Programme. For example, the two areas in Western Scotland had a population of circa 53,000, while the Objective 2 CED population coverage was in excess of 600,000. Similarly, only one small area was designated in the Yorkshire and the Humber Objective 2 region, Sheffield with a population of 6,000, while the CED Priority covered a population of over 800,000. Thus, the URBAN programme was a highly targeted initiative focused on the most disadvantaged communities/neighbourhoods.

This has implications for how the URBAN experience is “mainstreamed” into future Objective 2 Programmes. The implication is that if the URBAN approach was to be adopted as the only approach to implementation, the larger Objective 2 regions could require between 10 and 20 URBAN initiatives. This would increase the resources needed to manage such a level of activity, particularly with regard to capacity building. However, this additional investment could result in significantly increased sense of community ownership in local regeneration processes.

2.2 INITIAL COMMITMENTS

Following the approval of the initial URBAN bids, Action Plans were developed and submitted in 1996 (Round 1). However, in most cases financial commitment and project spending of URBAN grant funds did not begin until 1998. This was due to delays in developing and then receiving formal approvals of Action Plans.

The delayed approval of Action Plans led to considerable frustration with many of those involved and eventually led to difficulties in re-engaging some local communities with URBAN. In addition, project development was slow at the outset, as URBAN Partnership Groups took time to become established, along with the introduction of relevant delivery mechanisms and systems necessary to commence the Initiative.

Project submissions were also slow to come forward, particularly from the community and voluntary sectors. This was due to difficulties in understanding the European project application procedures and difficulties in securing match-funding requirements. The inherent bureaucracy and language used in Structural Funds proved inaccessible for some local community groups and needed to be ‘translated’ before community-based project development and project submissions could be generated. The use of simplified and shorter alternatives to the standard application form was usually not permitted by Government Offices. It was only after a relatively slow start that many URBAN regions employed dedicated Programme Managers and Outreach Workers.

Project spending, therefore, started relatively late which further exacerbated the delay caused by the Action Plan approval process. As a consequence the

effective operational period was considerably reduced for many Urban Programme Groups.

2.3 CURRENT PROGRAMME COMMITMENTS

The assessment of financial commitment was undertaken by EKOS during the months of August to October 1999. This was a period of increased project development and submission activity, and budgetary changes (virements, new budget lines for technical assistance) as the deadline for financial commitments (31st December 1999) approached.

All URBAN regions were asked by EKOS to forward relevant monitoring data to assess financial spend and commitment by Measure and Structural Grant Fund. The quality of financial information received varied significantly between regions. The lack of consistency, detail and quality of the information received made a comprehensive analysis of approved projects problematic. Up-to date information was difficult to ascertain, usually relating to an end of July '99 date, or even earlier. Some regions were able to forward more up-to-date information or estimates of spend during face-to-face interviews.

The following table shows financial commitment per region, per Fund and total grant spent against the original budget allocation. The information provided in the table is based on the documentation forwarded by each region which varied in terms of quality, accessibility, and volume. As a result, the table can only give an overall impression of the situation and should be interpreted with care.

At July '99, many regions had a financial commitment of between 50% and 60% of their overall URBAN funding allocation. The information relating to September '99 (5 regions) indicates commitment slightly above 60%.

Even those regions with very low commitments expected to make significant progress in the final three months of the year. Although there were reasonable explanations for the delays in most cases, the fact remains that some UPGs were much better than others at securing early commitments to projects. This gave these UPGs a considerable advantage, in that they were in a position to take a more measured view as to the projects they wished to support in the final 6 months of the Programme.

Those UPGs with very low level of commitments are unlikely to be able to take such a selective approach i.e. there is a real danger that to secure a high level of commitment, any project that is eligible will be supported in the final months of the programme.

Table 1a : Financial Commitment per EU-fund and Round 1 URBAN region against budget allocations											
Round One:											
URBAN- REGION	OBJECTIVE STATUS	ERDF			ESF			TOTAL			DATE
		Budget	Committed		Budget	Committed		Budget	Committed		
		£	£	%	£	£	%	£	£	%	
Huyton	Objective 1	-	-	-	-	-	-	3,331	2,400	72.0	07/99
Liverpool Central	Objective 1	4,263	2,615	61.3	987	414	42.0	5,250	3,258	62.1	20/09/99
Netherton	Objective 1		2,044			119			2,163		20/09/99
Birmingham	Objective 2	2,087	1,192	57.1	0.912	.774	84.4	2,999	1,966	65.6	31/10/99
Heart of East End	Objective 2	4,737	575	12.1	1,434	315	22.0	6,171	890	14.4	06/07/99
Glasgow North	Objective 2	4,248	3,285	77.3	1,567	620	39.6	5,815	3,905	67.2	26/07/99
Paisley	Objective 2	3,117	1,217	39.1	954	573	60.1	4,071	1,790	44.0	07/99
Nottingham	Objective 2	3,889	2,159	55.5	805	643	79.9	4,694	2,802	59.7	16/09/99
Manchester	Objective 2	3,944	2,467	62.6	1,472	792	53.8	5,416	3,259	60.2	21/09/99
Sheffield	Objective 2										
Swansea	Objective 2	3,346	2,272	67.9	895	430	48.0	4,241	2,702	63.7	N/a
Park Royal Queens Park	Non-Objective	1,379	131	9.5	345	139	40.2	1,724	269	15.6	01/09/99
Park Royal - Shepherds Bush	Non-Objective	1,414			400			1,814			n/a
Royal Park -Brent	Non-Objective	1,379	1,264	91.7	345	261	75.7	1,705	1,525	89.4	01/08/99

Table 1b : Financial Commitment per EU-fund and Round 2 URBAN region against budget allocations

ROUND TWO:

URBAN-Region	Objective Status	ERDF			ESF			TOTAL			Date
		Budget	Committed		Budget	Committed		Budget	Committed		
		£	£	%	£	£	%	£	£	%	
Leasowe	Objective 1	1,332	957	71.8	282	56	19.9	1,614	1,013	62.76	20/09/99
Coventry	Objective 2	4,496	2,186	48.6	1,409	715	50.7	5,905	2,901	49.12	31/07/99
Brighton	Non-Objective	2,229	689	30.9	737	70	9.5	2,966	759	25.59	end1998
Bristol	Non-Objective	2,215	1,296	58.5	673	414	61.5	2,888	1,709	59.18	27/08/99
Leeds	Non-Objective	2,250	1,449	64.4	750	647	86.3	3,000	2,097	69.89	30/06/99

2.4 ESTIMATED PROGRAMME END SITUATION

Interviews with UPG-staff and Accountable Body representatives indicated that most regions expect to achieve between 80% and 90% commitment of budget allocations by 31st December 1999. The expected under-spend of the UK-URBAN allocation, therefore, can be assumed to be between 10 % and 20% of the original UK budget. This is between 10 and 20 mecu, or an average of up to 1 MECU per URBAN region.

The actual under-spend may be higher, as it is likely that a number of projects will be approved with an optimistic view taken of their ability to fully spend the allocation. This is likely to lead to a final claim rate significantly lower than 100%.

To help improve programme spending and to overcome a heavily under-spent situation, DETR introduced a technical assistance budget-line for all URBAN regions to pay for the evaluation and also the Network co-ordinator post. The degree to which Groups will be able to achieve a 100% commitment by the 31st December 1999 is also affected by the SEM 2000 datasheet requirement for final beneficiaries to be identified by this date.

DGXVI subsequently encouraged partnerships to create 'Key Fund'-projects. to help to commit remaining resources during the last two months of Programme commitment. A Key Fund is a dedicated grant fund model first introduced in Yorkshire and Humber and which can be disbursed up to the end of 2001, without the beneficiaries having to be named by 31st December 1999. Due to the nature of this type of project, it was included in the Technical Assistance line. While the Key Fund concept is a major step forward (including the co-financing of the Fund at the outset) the time available and the unfamiliarity of key-fund operations in most regions has reduced the benefit. .

It is unfortunate that the time has not been available to vire funds between UPGs. Given the relatively short operational period, it is not surprising that UPGs wish to continue to work to the last minute to secure financial commitment. In addition, the quality of the financial monitoring data supplied to the Evaluators, and the difficulties some organisations had in supplying the data, suggests that the financial information is not sufficiently reliable to allow an authoritative view to be taken on the need to transfer funds between UPGs (this is a source of concern).

2.5 IMPLICATIONS OF DECEMBER DEADLINE

Despite the serious delay caused by the delayed Action Plan approval, the final date for financial commitment against URBAN grant funds remains unchanged as the 31st December 1999 (as it has for all Structural Fund Programmes).

In practical terms, the time for project development and submission has, therefore, been reduced in most areas to 18 months. For many URBAN regions this resulted in a pressure to "perform" and achieve outputs quickly, often to the disadvantage of community involvement and community orientation of projects.

Some regions admitted that due to the time pressure for financial commitment, off-the-shelf projects, or projects lacking community input or community participation, had been submitted and approved despite not satisfying fully the URBAN philosophy and aspirations.

3. THE ACTION PLANNING PROCESS

3.1 CONTEXT

3.1.1 Action Planning: A New Approach

The introduction of Action Plans was considered a new approach for the delivery of Structural Fund Programmes in the UK. It has been used both in the URBAN Initiative and in some Objective 2 Programmes, although a number of Government Offices/European Partnerships have decided not to use the Action Plan mechanism (under Objective 2).

The key features of Action Plans are an integrated regeneration and economic development approach, the establishment of a local or sub Programme partnership to deliver an agreed strategy or delivery plan, and the devolution of all or parts of the appraisal, selection and monitoring procedures, and (in some but not all cases) the delegation of financial responsibility to an Accountable Body.

Action Plans have been drawn up by thematic/local partnerships. The objective is that the Action Plan partnerships will be responsible for the allocation of European funding sources to individual projects within an agreed framework. ERDF and ESF funding applications should be processed by the Action Plan partnerships to secure a more efficient approach to the delivery of Structural Fund support.

In contrast to Objective 2 Action Plans, the unique feature of the URBAN Initiative approach is the emphasis on community led regeneration (as opposed to public sector or institutionally led initiatives) and the establishment of community-led URBAN Partnership Groups. This has involved significant capacity building at the development stage to ensure meaningful involvement of the local community both in the development of the Action Plan and its implementation.

3.1.2 Financial Delegation

Action Plan partnerships have to ensure that appropriate project appraisal and financial management systems are in place to meet existing Structural Fund requirements. This is ultimately the responsibility of the nominated Accountable Body. Financial accountability and transparency of the decision-making process must, however, be provided to ensure that European Community and public money is well and appropriately spent.

In the UK only partial financial delegation has been allowed. This involves complete delegation for ESF projects, but only a restricted delegation limit for ERDF. Above this limit a Government Office appraisal and approval is required. For projects above the delegated limit, the Government Office carries out the appraisal and is required to issue a grant offer letter.

Action Plans are assessed by URBAN Management Committees against specific criteria and in full consultation with Programme Monitoring Committees

regarding their compliance with the relevant Single Programming Document. In the case of URBAN, Action Plans are also assessed by the Commission (DG XVI).

Considerable delays were experienced in approving Action Plans due to the need to develop rules and procedures, undertake capacity building, develop Action Plans, and undertake amendments in the light of Government Office and Commission comments.

Once Action Plans and their respective budgets were approved by the UK Government and the European Commission, they represented a contractual basis for Partnerships geared towards achieving the outputs stated in their Action Plans.

3.1.3 Government Office Guidance

A comprehensive set of guidance notes (Guidance Note No.2) explaining Action Plan partnerships and relevant arrangements was developed and issued by DETR. The Guidance notes were originally intended for Objective 2 Action Plans, but subsequently used for URBAN as well. They included advice on Programme management, project selection and monitoring procedures to be installed by the individual Action Plan partnerships. Checklists and questions were presented to ensure uniform set ups and compliance with principals of transparency and accountability.

3.2 THE URBAN ACTION PLANNING PROCESS

3.2.1 Review of Events during the Design Phase of URBAN Action Planning

Following the approval of 14 original URBAN programme applications in 1996 (Round 1), the development of local partnerships and the design of local Action Plans was initiated. The original URBAN applications had been, in most cases, written by local authorities. The local authorities, not surprisingly, then took a facilitating role in establishing local partnerships and developing Action Plans, usually relying on existing networks of key organisations in economic and community development.

It should be noted at this point, that both original bid documents and local Action Plans had to be reviewed and approved by the European Commission – as a member of the Urban Management Committees. These procedures meant that submission deadlines had to be adhered to in order to ensure that Action Plans could be agreed in a reasonable time period. In many regions those deadlines were perceived as too tight to allow a wide and comprehensive community consultation process to be undertaken.

Round 2 bids, which followed Round 1 by almost two years, also experienced time constraints in their Action Planning process (stemming from the need to commit funds by the end of December 1999). This significantly reduced the time available to involve the local community in the development of local Action Plans.

Action Plans had to be designed on the basis of the original bid document and taking account of the relevant Single Programming Document. This umbrella programming structure, to some extent, imposed output targets which were often seen as restrictive in terms of being able to reflect fully the real community needs which were identified during the consultation process.

This reflected the selection of indicators for the Community Economic development Priorities in many of the Objective 2 SPDs. In many cases the key results indicators were people into employment and vocational qualifications achieved. These were relevant to some, but by no means all, of URBAN funded activities. There was also a lack of flexibility with regard to SPD output targets regarding innovative and/or pilot action identified within some Action Plans.

Most URBAN Action Plans were submitted by December 1996 and finally approved by June 1998. The delay in approving the Action Plans - after one and a half years - resulted in the loss of considerable community interest in URBAN during this time. Cynicism and disengagement from the process were common reactions by many community groups and individuals, and in a number of regions it proved difficult to re-engage these groups following Action Plan approval.

3.2.2 Community Involvement in the Design of Action Plans

The extent to which local communities were consulted and/or invited to participate in the design of Action Plans varied greatly between regions. Some regional/local authorities preferred to draft Action Plans on the basis of existing community surveys and needs analysis, using in-house or contracted professionals. Others went to great lengths to incorporate the new, bottom-up approach by actively seeking inputs from local residents to the process, and by creating new and innovative partnerships for their area.

In most cases, however, the Action Planning Process was based on the additional involvement and consultation of key players/agencies of the community and voluntary sectors active in that urban area. These 'enlarged' partnerships (i.e. economic development plus community/voluntary sector) often already existed through Single Regeneration Budget funded programmes.

A majority of these involved in the implementation of URBAN felt that the consultation process should have been more intense and that existing partnerships and networks had not been consulted to a sufficient degree.

In those URBAN areas where local authorities choose to involve and/or consult their local community, an active and keen interest in the Programme was usually the norm. Involvement often resulted in intensive negotiations led by the local community with the aim of re-drafting Action Plan documents to incorporate a more community-based perspective. A good example is North Huyton, where the insistence of individual community members persuaded the local authority to engage in a comprehensive re-drafting of the local Action Plan.

The varying degrees of community involvement in the design phase of the Action Planning Process suggests that guidance on the extent of community involvement was less clear, or alternatively should have been more prescriptive. This view was supported by findings relating to the lack of clarity and definition experienced by many local communities regarding the role they were expected to play.

During the design phase of the Action Planning Process, local communities and statutory bodies usually understood URBAN as a community-based programme which differed to other European Initiatives. The difference was mainly seen in URBAN's focus on quality of life issues, thus meeting the real needs of deprived urban areas more closely than other "mainstream" economic development initiatives. It was further understood that URBAN would provide easier access to funding through simpler application mechanisms and procedures than in other European Programmes, which would be more suitable for the community-led partnership approach.

These were expectations which, at a later stage, could not be met and which often led to considerable disappointment and frustration within partnerships.

3.2.3 Capacity-building Activity during the Action Plan Development

The Action Planning process required the introduction of new partners i.e. the community and voluntary sector, to the decision-making process and new agencies to work with communities. The Commission allowed for expenditure to be undertaken in relation to capacity building in advance of the Action Plan being approved. Only in a few URBAN regions, however, was capacity-building made available to the partners involved in the preparation of local Action Plans.

Nottingham and Sheffield are very good examples where pro-active steps were taken to deliver information, guidance and advice to the local community during the design phase. In South Yorkshire, capacity-building activity incorporated, for example, a fact-finding mission to Brussels and the 'translation' of European jargon. This was to ensure that all individuals and agencies involved would have a comprehensive understanding of URBAN and the intended purpose and contents of Local Action Plans. In addition, in Sheffield, a very successful community conference was held (100 local people attending), which was run by local community members, to both inform the strategy for the Action Plan and the longer term strategy for the area.

3.3 THE ACTION PLANS

3.3.1 Review of Action Plans

METHOD

The Action Plans of all UK-Urban regions were reviewed on a common basis, looking in particular at the following issues:

- compliance with objectives and coverage of measures suggested by the European Commission;
- the administrative structures and procedures;
- identification and prioritisation of target groups;
- identification and realism of outputs;
- match-funding sources;
- anticipated community involvement and implementation of community-led approach;
- envisaged community capacity-building process;
- presentation of the Integrated Approach;
- complementarity and additionality of the Action Plan;
- exit strategy and sustainability of actions intended;
- planned networking activities; and
- overall clarity and user-friendliness of the Action Plan.

The review of the documents clarified how the implementation of URBAN was planned in each region and how certain structures and mechanisms were developed. The Action Plans informed the design of Regional Workshops and Interviews undertaken during this evaluation.

ACTION PLANS – TOP DOWN OR BOTTOM UP?

Action Plans vary significantly in terms of layout, clarity and detailed information provided. The intention was that the preparation of Action Plans should have been undertaken in partnership with local communities. The extent of community involvement in the design of Action Plans varied between regions. The readability of the Action Plan and the extent to which community participation issues were addressed in them, however, indicated a reduced role for community groups in the development and production of some Plans.

Some Action Plans represented comprehensive and professional documents with detail on output targets, impact indicators and complementarity issues while lacking clarity regarding community involvement; for example in the North Glasgow, Manchester, and Heart of East End documents.

The Nottingham Action Plan, in contrast, has a strong emphasis on community involvement both in the rationale and the Measures proposed. It details clearly why the community should be involved and how this will be achieved. The Sheffield plan also presents a comprehensive review of URBAN, particularly its objectives, structures and expected level and nature of community involvement. There is a good needs analysis and useful supporting documentation on the economy of the area, previous regeneration activity and community-capacity-building mechanisms.

While the more top-down Action Plans have the potential to be effective, in terms of traditional economic development structures and delivery, there are concerns that the community may not be sufficiently engaged or feel the requisite sense of ownership over them. A relatively common criticism was that the community was only expected to ratify an Action Plan prepared by a local authority, rather than invited to design and contribute to its content. At the same time, it needs to be acknowledged that almost all community groups lacked the technical skills to produce their own Action Plans in the format required.

STRENGTH AND WEAKNESSES OF URBAN ACTION PLANS

The overall strengths and weaknesses of the URBAN Action Plans and certain key features are summarised in the following:

The **strengths** of the Action Plans:

- most designated regions complied closely with the objectives and anticipated activities identified by the Commission. In most cases Measures and activity were well described, offering comments on a broad range of topics and local issues;
- in general, the broad range of activities represent a reasonable attempt at promoting an integrated approach to the problems of the areas;
- a degree of partnership is evident, usually through the make up of the URBAN Partnership Group (UPG) itself;
- most Action Plans describe the processes/ administration structures quite well, usually adopting the suggested model (though different in Scotland) and taking it further by creating UPG sub-groups and forums for improved community involvement;
- outputs were usually quantified and realistic, often using indicators taken from the relevant Single Programming Document;

-
- some Action Plans presented innovative ways forward regarding community involvement, capacity-building and development of community trusts;
 - some Action Plans are examples of good practice in relation to the clarity of information and overview provided, usually written in a positive and action-oriented manner; and
 - Overall Action Plans provided a safety net that ensured community groups could get their own projects included and approved, a possibility that would not have happened if these groups were obliged to compete with more experienced and better resourced applicants under mainstream Objective 2.

The **weaknesses** were identified as follows:

- strategy – Action Plan strategies are often weak, especially the linkages between the strategy and the chosen Measures/activities. Linkages between the strategy and the needs analysis (if included at all) were also weak;
- Measures – the mutual reinforcement of Measures is not as strong as could be e.g. the ESF and ERDF Measures synergy;
- targeting – there is often insufficient detail on the identification of target groups and their particular needs. Usually target groups are listed, but not related to activities or selection criteria, prioritisation was normally not evident;
- complementarity - most Action Plans address this, but not in sufficient detail to be clear on the relationship between URBAN and, for example, SRB/SIP;
- involvement of the community – many do not detail the methods for involving the community e.g. regular meetings, elections, geographic sub-groups etc. In most cases there is a lack of clarity over who wrote the Action Plan. The issue of how URBAN will achieve a community-led approach was usually not addressed specifically;
- match-funding sources – Action Plans did not usually identify potential match-funding sources;
- exit strategy - most Action Plans did not include comments on their sustainability, impact, and exit strategy;
- networking activities – few Action Plans referred to networking, and even where they did, they lacked detail;
- user-friendliness – varies between attempts at jargon-free, but simplistic and insufficiently detailed, to detailed but unclear as to

the envisaged extent of community involvement. Most Action Plans were weak in explaining how actions are to be implemented.

ACTION PLANS VIEWED TODAY

The idea of developing local Action Plans based on community involvement and the identification of local need, was widely welcomed by all sectors involved in the Action Planning process. Provided sufficient time and funding could be made available to develop a meaningful contribution by the local community, Action Plans are acknowledged as a powerful delivery mechanism by the majority of those consulted. The view was, that Action Plans provided a protective framework that gave community projects a real chance of success, a stake in the decision making process, and the chance to develop real skills.

UPG members in all URBAN areas perceived the Action Plans as realistic documents. According to the questionnaire results, Action Plans represented local communities' needs sufficiently and served as good strategic tools to help guide subsequent local regeneration activities.

In most regions, Action Plans have been reviewed since their approval in 1998, usually with no significant changes regarding output targets, due to Government Office restriction and obligation to conform with SPD objectives.

ASSESSMENT OF INDIVIDUAL ACTION PLANS

The table at the end of this Chapter provides an assessment of the features of individual Action Plan against a range of criteria. These should not be used to compare between Plans, but are provided to identify areas where Action Plans dealt effectively with particular aspects, and areas where results were more variable.

As the Table highlights, Action Plans were relatively strong with regard to:

Clearly identifying target groups;

- Explaining how community involvement was to be secured;
- Providing quantified outputs; and
- Developing an integrated approach and linkages to other Programmes (at least on paper).

The results were more mixed with regard to:

- Developing exiting strategies; and
- Committing to innovative Actions

Another noticeable feature was the variation in representation of community representatives. The highest proportion was in Bristol, at 60%, and the lowest

was Manchester where only 25% of the representatives were from the community. A significant number of Groups had representation at around 30%.

Although the information cannot be used to develop a “league table” of Action Plans, there are a number which score consistently well as against the majority of the criteria. These are Nottingham, Sheffield and Coventry, and in Scotland, Paisley. It should be noted that all of the Action Plans have a number of elements where the assessment criteria are addressed in full.

3.4 GOOD PRACTICE

1. the intention to involve local communities in the Action Planning Process requires a clear understanding and communication of the nature, extent and methods for involvement;
2. information provided should be accessible (using plain English), reliable, and consistent;
3. community briefings must be comprehensive to ensure that the community is not mis-led with regard to the likely complexities and challenges of the Programme;
4. community involvement needs time and resources to accommodate the additional co-ordination and management that this process requires;
5. in order to reach a sufficient understanding of URBAN and the Action Planning process, the community needs capacity- building action delivered at the outset and in parallel to the development of the Action Plan;
6. output targets in Action Plans should allow for more flexibility to accommodate more pilot/innovative actions;
7. Action Plans should acknowledge the importance of the qualitative outputs achieved through capacity-building; and
8. Public and voluntary agencies working with communities in the manner envisaged by URBAN need sensitising and also require capacity-building.

COMPARISON OF KEY FEATURES OF ACTION PLANS

Action Plan Region	Compliance with CEC URBAN	Target Groups identified	Outputs clearly identified	Community Involvement explained	%age of Community Representation on UPG	Integrated Approach established	Linkages to other programmes	Networking activities	Exit Strategy given	References to innovative actions	Overall Assessment Regarding clarity of content
Swansea	◆◆◆◆◆	◆◆◆◆◆	◆◆◆◆◆	◆◆◆	50%	◆◆◆◆	◆◆		◆◆◆◆		◆◆◆◆
Bristol	◆◆◆◆	◆◆◆◆	◆◆◆◆◆	◆◆◆◆◆	60%	◆◆◆	◆◆◆	◆◆◆◆◆	◆◆◆◆		◆◆◆◆
Brighton	◆◆◆◆	◆◆◆◆	◆◆◆◆◆	◆◆◆◆		◆◆◆◆	◆◆◆◆◆	◆◆◆	◆◆		◆◆◆◆
HEE	◆◆◆◆◆	◆◆◆◆◆	◆◆◆◆◆	◆◆◆◆◆	57%	◆◆◆◆◆	◆◆◆◆◆		◆◆◆		◆◆◆◆
Birmingham	◆◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆	27%	◆◆◆	◆◆◆	◆◆◆	◆◆	◆◆◆	◆◆◆◆
Nottingham	◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆◆◆	43%	◆◆◆◆	◆◆◆	◆◆◆◆	◆◆	◆◆◆◆◆	◆◆◆◆
Manchester	◆◆◆◆◆	◆◆◆◆◆	◆◆◆◆◆	◆◆◆	20-25%	◆◆◆◆	◆◆◆◆	◆◆◆	◆◆	◆◆	◆◆◆
Netherton	◆◆◆◆◆	◆◆◆	◆◆◆◆	◆◆◆	35%	◆◆◆	◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆◆
Leasowe	◆◆◆◆	◆◆◆	◆◆◆◆	◆◆◆◆◆	33%	◆◆◆	◆◆◆◆	◆◆◆◆◆	◆◆◆◆◆		◆◆◆◆
Liverpool	◆◆◆◆	◆◆◆	◆◆◆◆	◆◆◆◆	43%	◆◆◆	◆◆◆	◆◆◆◆◆	◆◆◆	◆◆◆◆◆	◆◆◆◆
Sheffield	◆◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆◆◆	50%	◆◆◆◆◆	◆◆◆◆	◆◆◆◆◆	◆◆	◆◆◆	◆◆◆◆◆
Queens Park	◆◆◆◆	◆◆◆	◆◆◆◆	◆◆◆	45%	◆◆	◆◆◆◆		◆◆		◆◆◆
Paisley	◆◆◆◆◆	◆◆◆◆◆	◆◆◆◆◆	◆◆◆◆◆		◆◆◆◆◆	◆◆◆◆	◆◆◆	◆◆◆	◆◆◆◆◆	◆◆◆◆
Shepherds Bush	◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆◆		◆◆◆◆	◆◆◆◆◆	◆◆	◆◆◆◆		◆◆◆
Leeds	◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆◆◆	40%	◆◆◆	◆◆◆◆◆	◆◆◆◆	◆◆◆◆		◆◆◆◆
Brent	◆◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆◆	50%	◆◆◆◆◆	◆◆◆◆		◆◆◆◆	◆◆◆◆	◆◆◆
Glasgow N	◆◆◆◆◆	◆◆◆◆	◆◆◆◆◆	◆◆◆		◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆	◆◆◆◆	◆◆◆◆◆
N Huyton	◆◆◆◆	◆◆◆	◆◆◆◆	◆◆◆◆	30%	◆◆◆◆	◆◆◆◆	◆◆◆	◆◆◆◆	◆◆◆	◆◆◆◆
Coventry	◆◆◆◆◆	◆◆◆◆	◆◆◆◆◆	◆◆◆◆◆	46%	◆◆◆◆	◆◆◆◆◆	◆◆◆◆◆	◆◆	◆◆	◆◆◆◆◆

The scale ranges from ◆◆◆◆◆ - fully addressed to ◆ not addressed at all

4. CAPACITY-BUILDING AND THE FACILITATION OF COMMUNITY INVOLVEMENT

4.1 CONTEXT

The URBAN Action Planning process is based on the concept of a community-led partnership approach, with the ultimate aim of funding and delivering projects, which more effectively addresses local need.

Since early 1980, community groups and voluntary organisations have increasingly sought to help address the problem of unemployment and the regeneration of deprived urban and rural areas. The objectives have commonly been to create local jobs for local people and to regenerate/provide a range of local services.

Local communities, however, often lack the appropriate skills and knowledge to access funding programmes, to manage projects efficiently and to participate more effectively in the decision-making processes. Capacity-building initiatives address these constraints and seek to increase local communities' abilities to participate in decision-making processes relevant to the regeneration of their area.

Community involvement in URBAN was established through involvement in the management and decision making structures, and as project sponsors/deliverers. To ensure the full involvement of community groups, capacity-building was a core requirement.

In some URBAN regions in England, the implementation of SRB and/or Objective 1 programmes already facilitated the development of similar community-oriented structures and communication processes i.e. North Huyton, Sheffield, Bristol. The implementation of URBAN in those areas benefited from the existing community structures.

4.2 CAPACITY – BUILDING

4.2.1 Capacity-Building and URBAN Action Plans

The delivery of capacity-building projects are an integral part of the URBAN Community Initiative and the majority of Action Plans identify capacity-building as one of their strategic aims. Often capacity-building is identified separately within a single Measure, recognising the fact that a capacity-building programme is vital in supporting the active and informed involvement of local people in the regeneration of their community.

URBAN Action Plans do not define the term 'capacity-building' as such; activities are, however, generally geared towards two levels:

-
- at Programme management and organisational level, to increase the capacity of partners on the Urban Partnership Group in managing European funding and related processes; and
 - at local community level, to increase the capacity to develop and implement projects.

Capacity-building activities identified in most Action Plans usually include:

- the development of community-based regeneration strategies;
- the delivery of information and communication regarding URBAN;
- the development of capacity-building plans;
- the setting up of local partnerships;
- training initiatives;
- the employment of 'social animateurs' or 'Community Outreach Workers' to help develop and deliver projects; and
- networking activities at the regional, national and transnational level.

4.2.2 Delivered Capacity-building Training Initiatives

As the term 'capacity-building' is not strictly defined in URBAN, activities ranged from the provision of internal, usually local authority, expertise to enhance the technical competence of community groups/activists. This advice ranged from filling in forms, appraisal and administrative capabilities etc., to the employment of external consultants to allow for more independent advice and guidance. Several documents by the Community Development Foundation and by others now offer practical handbook advice on what capacity-building is for and on tools and techniques.

The range of initiatives delivered under capacity-building focused on the needs of the Urban Partnership Groups as the Programme management bodies, and on community representatives' needs in relation to project development/management and match-funding issues.

In Sheffield the Local Authority, together with partners, employed a community development worker to set up a community forum. This successful project led to the development of the Community Alliance, a key factor in increasing local participation in URBAN, in Sheffield.

In Nottingham, training support in life skills, (such as communication, confidence building, introduction to the public sector) was accessible to all members of URBAN working groups. These were offered in addition to capacity-building sessions, which were targeted at skills regarding the management of partnership meetings (such as charing meetings, taking

minutes, consensus finding; conflict resolution, etc.). Match-funding for the above activities was provided by Nottingham City Council.

The provision of technical training and assistance in establishing the appraisal process was a successful initiative in Liverpool Central to create a more efficient distribution of responsibilities and tasks between the Accountable Body and Community Representatives.

In Leasowe, external consultants delivered course modules in project development and management in which community representatives/participants could gain a certificate which may be formally shown on a CV for future job applications. Again, match funding was provided by the local authority.

Most commonly, capacity-building was delivered in workshop settings, transferring know-how in the areas of applications, match-funding, programme management. In Brighton this included workshops on completing monitoring forms.

In Coventry, Hillsfield, a comprehensive capacity-building training programme involving skills transfer from local authority staff, SRB staff, and external consultants was co-funded by in-kind contributions from UPG members. The training programme concentrates on supporting the UPG not just in the above areas but also with their own personal development, training and management skills.

Among specific areas where support and expertise was required were:

- Project Development and Preparation;
- Learning to make full use of EU formats;
- Budget Management;
- Project Selection techniques including key aspects of Project Scoring and Appraisals;
- Learning the critical aspects of setting up and operating Project Delivery systems especially when working as partnerships and in using Service Agreements and/or Contracts;
- Performance and Programme Monitoring;
- Project Approvals;
- Learning the rules of adherence to financial, audit, records keeping and contract requirements;
- Annual and Semi Annual Reports on the URBAN Initiative in Hillfields;
- Networking and adoption of Best Practice.

Training in the above topics was highly technical in nature in the context of European Funding.

In addition to capacity-building for UPGs and community representatives, there have been initiatives to address the development of capacity of the community at large, or particular target groups within the URBAN area. In North Huyton, capacity-building initiatives were extended to the entire local community, covering all aspects of EC funded project applications. Personal and social development programmes for young people have also featured strongly in the capacity-building process in Merseyside. Basic skills support to minority

language communities have been undertaken in Bristol to address central needs in reducing isolation and exclusion.

Overall, the range of initiatives has been wide, addressing various needs at various levels in the community. In most regions, activity was slow to start and capacity-building projects were not always understood as projects, i.e. by assuming capacity would be gained through learning by doing.

4.2.3 Perceived Benefits of Capacity-building

Benefits from capacity-building initiatives were reported for most URBAN areas. These included increased level of confidence and self-esteem, sense of responsibility and ownership of URBAN, more efficient programme management, increased awareness and understanding of processes. The overall opinion of those involved in URBAN was that these qualitative benefits, despite their significant impact for the local communities in the long-term, are undervalued by URBAN project-selection criteria and output targets.

In South Yorkshire, significant differences in community capacity could be observed as the region includes two URBAN areas; Sheffield, a Round 1 region which benefited from pre-Action Plan capacity-building, and Leeds, a Round 2 region which could not engage in a full capacity-building programme due to time restrictions but this is despite the Leeds area having had a succession of regeneration programmes in the past. The community involved in the delivery of the Sheffield Action Plan, is - generally speaking - noticeably more pro-active and aware of regeneration processes than the community in Leeds according to observations made on a regional level.

Successful capacity-building of local communities and their representatives is not only reflected in a more efficient programme and project delivery, but also in more interest and awareness in related processes, usually requiring additional resources and consensus finding capacities between local authorities and the local communities.

4.3 Facilitation of Community Involvement

Most URBAN regions sought local community involvement by contacting and co-operating with existing community groups. The community and voluntary sectors are very diverse in their volume, interests and capacity in each region; many URBAN regions invested, therefore, in further analysis of these sectors, to identify and reach all potentially interested people. This is particularly important as small community/voluntary organisations are often less visible than the more established, larger groups. The commonest experience of URBAN regions was that particular effort and time was needed to engage and involve smaller community groups; nevertheless, a lack of representation from certain groups, such as the disabled and ethnic minorities, was often apparent.

Organised road-shows, newsletters, cultural community events, arts and crafts projects were very effective means to attract local communities and to raise

awareness and involvement with URBAN. These small events, or other small initiatives, which produced quick and visible results, were ideal starter projects according to regional workshop findings.

Other very effective means of engaging the local community in the URBAN Programme were to involve local residents or interest groups pro-actively in networking activities, i.e. conference attendance, visits and field trips in other URBAN areas in the UK or abroad. URBAN regions like North Huyton and North Glasgow, reported excellent results from such activity in the form of enhanced idea generation, project development, transfer of know-how and increased community involvement.

In Coventry, particular efforts have been undertaken to establish wide ranging transnational network in URBAN which has enabled UPG members to review programmes abroad and the lessons learned that can be imported into the UK.

4.4 Overall Accessibility of URBAN

4.4.1 Consistency and reliability of information

The overall accessibility of URBAN was perceived as problematic, particularly with regard to involving community members in the Action Planning Process and providing consistent and reliable information. Many partners of the URBAN process, community representatives as well as statutory bodies, experienced the need for clearer information, definitions of key terms and roles. It was felt that, apart from technical issues and terms, basic terminology used in URBAN like 'partnership', 'community', and 'community-led approach' should have been defined more precisely to avoid confusion and to establish a more commonly understood basis across all URBAN areas.

The key problem, however, related to the information on technical issues like eligibility. Many Partnerships experienced difficulties in ascertaining reliable and consistent information from Government Offices, often caused by frequent internal Government Office staff changes or unfamiliarity with European Funding programmes. Government Office information and interpretations of regulations and guidelines often differed between regions and, in comparison with information received from the European Commission, a fact that was often perceived very negatively by UPG members. Changes in UK Desk Officers were considered by Government Office staff to have added to inconsistent advice.

This lack of consistency also caused major confusion and frustration, considering that the newly formed URBAN partnerships were, in light of the delayed start of the programme, under time pressure to perform. In many areas, the time-consuming resolution of various technical and eligibility issues considerably hindered the efficient working process.

4.4.2 Language of Documentation

Initial expectations by the local community that URBAN was a community-oriented programme and, therefore, designed in an accessible manner were disappointed. In contrast to guidance material for the management of URBAN Partnership Groups (issued by the DETR), which were clearly written, application documents and processes (such as programme mechanisms, eligibility criteria, application forms) used highly technical language, which proved to be inaccessible for most community and voluntary organisations (the URBAN application forms were Objective 2 ERDF and ESF application forms normally used for large-scale, mainstream projects).

Most capacity-building initiatives dealt with the 'translation' of existing documentation and processes to improve and, in many regions, initiate forthcoming project applications from the community.

4.4.3 Simplicity of Processes and Mechanisms

In addition to the Euro-jargon used in most documentation, URBAN application processes and mechanisms were seen as much too complicated and bureaucratic to engage fully community organisations with the programme.

Various regions attempted to simplify the project application process, by establishing a two-stage application approach, with variable success. In many regions, like Bristol, Hillfields, and Netherton, a first application form was designed to describe a project idea in principal and to check basic eligibility status and objectives. To ask applicants to fill in the full, official ERDF/ESF application form straight from the beginning was felt to be 'off putting' or, at best, an inefficient use of time and effort.

It was not feasible to reduce the complexity of the official ERDF and ESF application forms. Many URBAN partners, however, considered these forms inappropriate for community based and small-scale projects. They felt that it was unreasonable to expect small-scale project applications to go through as much detail as large-scale project applications, which ask for considerably larger amounts of grant monies. The South Yorkshire Key Fund under Objective 2 has, however, overcome this problem.

Match-funding, as one of the key funding mechanisms, was regarded as too complicated and often prevented the involvement of smaller community/voluntary organisations, due to lack of capacity in terms of time and knowledge to secure funding and develop project ideas.

In many respects it was felt that, given the intention to involve the community in URBAN, the need for simplicity and accessibility of programme processes should have been more effectively dealt with. Despite the community orientation of URBAN, the Programme remains a complex European funding scheme, which did not accommodate any adjustments to improve accessibility to facilitate community involvement.

4.4.4 The Need for Dedicated, Permanent Staff

In many URBAN areas, appropriate URBAN programme staff were employed some time after the Programme commenced. The initial expectation was that partnerships could deal with the additional administrative workload without extra staff. This expectation was reinforced by the fact that technical assistance was not an eligible budget-line. In addition, the distinction between Technical Assistance and Capacity Building was not made clear enough in URBAN guidance material and led to some misunderstanding in terms of eligibility.

In many cases, local authorities provided secretarial/admin support for servicing the partnership. Project development and community involvement, however, required a larger commitment in the form of dedicated staff.

Once designated staff were in place, most URBAN areas experienced a considerable improvement in terms of community understanding of the URBAN process, increased applications, and increased community-led applications. Short term contracts, however, resulted in staff retention problems.

The evaluation has shown, that the employment of a dedicated, appropriately qualified, interested and committed staff to facilitate the community led approach of URBAN or any similar regeneration initiative is central to a successful Programme implementation. Such a dedicated staff team should include a Programme co-ordinator, working on the technical side of project development, appraisal, monitoring and programme management; a community outreach worker, specialising in work with the community and target groups; and good administrative support.

4.5 COMMITMENT TO INVOLVE THE COMMUNITY AND TO BUILD CAPACITY

4.5.1 Timing of Activities

Capacity-building activities are an integral part of Action Plans. Their delivery was, therefore, dependent on Action Plan approval, unless forward-looking Government Offices or local authorities decided to fund these initiatives up-front. In many cases, the delay in the approval of the Plans resulted in a break in development activity. Most URBAN partners felt that this 'waiting' period could have been used more effectively to prepare the local community and the partnership to enable a smoother and quicker start for the Programme. In effect, this time was not used at all which was often regarded as a missed opportunity.

4.5.2 Difficulties in Raising Match-funding

Once Action Plans were approved, capacity-building projects slowly started to emerge. However, match-funding often proved to be a problem as capacity-building was often perceived as less urgent than mainstream projects which could achieve 'hard' outputs. This urgency for 'hard', quantifiable results was fuelled by the fact that the delays in approval caused increased the time

pressure to achieve the Action Plans' objectives. There was also a common assumption that capacity would come through experience, i.e. 'learning by doing'.

In many URBAN regions the need for formal capacity-building activity, including the employment of dedicated staff, only became a priority after an initial period of difficulties and lack of community involvement. Even in regions with SRB structures in place, the need for special URBAN staff and training was identified as a priority. Initially it was believed that SRB and URBAN could easily be integrated in terms of match-funding and programme management. However, programme systems, application procedures, requirements and processes differ considerably and required additional personal and training.

Programme timing differences between SRB and URBAN , with most SRB ceasing as matching before the end of URBAN in December 2001, contributed to the difficulties with the originally perceived 'perfect' match SRB.

The key source for match-funding for capacity-building initiatives and staff were limited local authority budgets, often Community Development Units, Economic Development or Planning Departments.

Key funding sources may have been more willing to support capacity-building, if appropriate outputs and impacts had been given more prominence and recognition as 'real' outputs with long-term beneficial impacts for the community outside URBAN. Many of the individuals consulted as part of this evaluation felt that capacity-building required a 100% funding allocation, so that a more proactive and early approach can be taken.

4.5.3 Willingness to involve the community

A key factor for community involvement is the political willingness of mainstream economic development partners, to allow this participation to happen. Other key factors included making resources available, supporting necessary capacity-building processes and revising conventional styles of partnership conduct and language.

The persistence of old power-structures, and a lack of definition and enforcement of URBAN requirements regarding the involvement of the local community, led in some areas to a considerable reluctance to fulfil the community-led approach.

The mere provision of community seats on URBAN administrative bodies does not lead automatically to a community participation in decision-making processes. In fact, many community representatives were considerably frustrated, not only with the inaccessibility of the Programme but also with the apparent power-structures and related attitudes. In many areas, elected councillors retained a very tight control over all economic development activity and were often only willing to deal with and consult 'experts' that they considered appropriate i.e. public agency managers and consultants, rather than local community representatives, who were often seen as 'troublesome', rivals and a threat to the existing power-structures.

Many community representatives did not maintain their seats; while this is often regarded as a common occurrence in community involvement, the onus is on the partnership to recruit new representatives and to adjust traditional styles of decision-making. In some URBAN areas, no particular effort was made to seek additional participation from the community. In fact, the view was taken that the lack of community involvement would help ensure a smoother, uninterrupted implementation of URBAN.

In other areas, like Sheffield, specific efforts were made to meet the local community and to “build bridges”. Government Office Yorkshire and the Humber decided to invest in capacity-building and community involvement and funded valuable induction and awareness-raising events even before Action Plans were written. This willingness to provide up-front investment in community capacity-building activities has led to a high degree of participation in the URBAN process. The community in Sheffield developed feelings of ownership of the regeneration process and of the Action Plan through the 100% community owned structure, the Community Alliance. The community in Sheffield can be regarded as one of the most pro-active communities in the implementation of URBAN projects.

In Nottingham, community involvement has also experienced a considerable level of commitment, which allowed the creation of an innovative partnership model, and consistent strong involvement of the local community. The Nottingham Partnership Council is a multi-sectoral forum acting as a model of participatory democracy at local level.

4.5.4 Need For Capacity-Building At All Levels

Regional Government Offices in many of the URBAN areas have taken an active role in the capacity-building processes of their area, particularly concerning ERDF/ESF training-sessions, general advice, and the development of guidance material on programme management.

However, most URBAN partners acknowledged that everyone went through a learning experience. Capacity-building usually addresses the need of the community to gain knowledge, understanding and confidence in dealing with complex funding programmes. On the other hand, Government Offices, local authorities and other statutory bodies often lack the necessary skills and understanding to deal with community groups and activists.

Most URBAN areas recommended that capacity-building was required at either side of the partnership at community, but also at public/statutory body and UPG staff level, mainly regarding changing attitudes, increased understanding of community processes, and in consultation and community planning methodology.. A main problem with capacity-building usually is that people find it difficult to acknowledge their need.

4.5.5 Capacity-building – A Continuous Need

The need for capacity-building follows the ‘natural’ flow of programme implementation, responding to a dynamic change of skill needs . Apart from the initial demand for general information and awareness raising activities, like

road-shows, seminars etc., needs, at the beginning of URBAN, centred around European funding technicalities and formalities. Activities included the “translation” of application forms and relevant documents into ‘normal’ English, the explanation of the rationale and know-how involved in match-funding, the clarification of eligibility criteria for projects, and the explanation and indeed the development of the overall application and appraisal processes.

At a more advanced stage of Programme implementation, capacity-building activities should aim at programme management skills, monitoring and claiming procedures, project management, project evaluation, managing financial tools i.e. community chests etc. There is evidence, that URBAN areas did engage with more advanced capacity-building activities, local project deliverers, however, indicated that continues effort was needed in project management support.

The changing nature of capacity-building activity requires an ongoing commitment of resources and an ability to respond to the highly dynamic process of programme development and community involvement. In URBAN partnerships is a strong belief that capacity-building needs to address and include all aspects of programme management and implementation, if the objective is to achieve a truly community-led approach to urban regeneration.

One of the URBAN areas, which supported this all inclusive need for capacity-building, is North Huyton, where considerable effort was taken to engage the local community in all aspects of the URBAN process, and where steps are being taken to establish permanent community support structures on a neighbourhood basis.

4.6 REACHING TARGET GROUPS AND MINORITIES

To reach and actively involve target groups in the URBAN process is a particular challenge. Commonly, the most urgent needs of socially and economically excluded groups are in relation to cultural, social, and health issues, areas which often were not included in Action Plan/SPD output targets.

In many URBAN areas, UPG staff felt that URBAN was too focused on economic development, the Programme did not provide enough space for socially excluded groups to become meaningfully involved and to address their problems in a more integrated and comprehensive way. This view could relate back to the initial misunderstanding of what could or could not be done under URBAN.

There was also little room for innovative schemes, or pilot actions, as URBAN was perceived as output driven with no space for experiment or acceptance of failure.

Having said this, in the majority of URBAN areas, project leadership by target/minority groups is high (Heart of East End, London; Glasgow North; Bristol; Swansea and others) and there are some good examples of target group involvement. There have been good results achieved in working with youth groups in Netherton, White City, and Swansea. These successes are the result of an open, forward-looking attitude of all partners involved. Listening to peoples needs, trusting in their capabilities, negotiating relaxed terms of eligibility (involvement of pre-16 year olds), 'bending' rules, and empowering minority/youth groups with the management of their own projects and budgets, are key characteristics for successful and sustainable community involvement, as can be seen in North Huyton, Netherton, Swansea, White City etc..

4.7 GOOD PRACTICE

1. Capacity-building should start at the earliest possible date, before and during Action Plan development, in order to increase understanding and know-how of processes and therefore to improve efficiency of the Action Planning Process;
2. In light of the more qualitative character and impact of capacity-building measures, match-funding should be pre-arranged at source or should receive higher intervention rates;
3. The intention to involve the community in complex European Funding programmes should anticipate the need for simplicity and accessibility of programme processes and related information including simplified application forms;
4. The perceived value and impact of capacity-building should be raised by including more relevant outputs, usually more qualitative outputs, into the Action Plans;
5. The need to build capacity should not only be understood regarding programme technicalities, but also with regard to working styles and attitudes. In this respect capacity need to be build at all levels to improve communication and understanding between statutory bodies and the community;
6. The effective involvement and capacity-building of marginalised groups' needs additional resources in terms of time and commitment, allowances should be made for additional officer time;
7. Capacity-building needs to be understood as a permanent facilitation, accompanying a dynamic regeneration process through all its phases including planning, delivery, and management of projects; and
8. Community involvement and capacity-building require a dedicated, long-term staff team, including programme manager, community development worker, and administration support.

5. ADMINISTRATIVE STRUCTURES AND THE FUNCTIONING OF PARTNERSHIPS

5.1 CONTEXT

The partnership approach in URBAN provides the key mechanism for community involvement in the decision-making processes and management of the programme.

The URBAN Partnership Group (UPG) is the central body in each designated area of the Programme and brings together representatives from the community/voluntary sectors, the business sector, and residents with the established statutory agencies and local authorities.

The administrative structure required for the management of URBAN in each area includes the following bodies:

- the URBAN Partnership Group (UPG) which is responsible for the day to day implementation of the programme including project selection. The UPG is responsible for the appraisal and approval of all projects below a set level of grant (delegation limit: ERDF £100,000/£250,000 (rev/capital projects) no delegation limit for ESF;
- the Accountable Body, selected by the UPG, which ensures the financial accountability of the programme and which handles all payments;
- the URBAN Management Committee which contains all the main funding agencies and which, according to the Consultant's brief, should undertake capacity-building actions and ongoing reviews of the Action Plan;
- the Monitoring Committee which has responsibility for overseeing URBAN particularly in relation to complementarity issue with other European and UK Programmes;
- the UK URBAN Network which exchanges information, advice and best practice amongst the URBAN partnerships and organises regular network conferences; and
- regional Government Offices/Departments (and, now, Executive and Assembly in Scotland and Wales) which have overall responsibility for the administration of the URBAN Initiative.

5.2 THE URBAN PARTNERSHIP GROUP

5.2.1 The Structure of the UPG

All Action Plan documents contained outlines of the administrative arrangements with regard to the Urban Partnership Group, and the Accountable Body.

The membership of the UPG was usually identified in the Action Plan and most commonly included representatives from the local authority, TECs/LEC's, Further/Higher Education, Health Boards, Police, and Business/Private Sector, local Councillors and the community and voluntary sector.

In most cases, 50%-60% of seats on the UPG were allocated to the community/voluntary sector and other community representatives. However, the take-up of community seats was often less than anticipated due to the time commitment required and/or a lack of interest in technical and programme management issues.

Most regions extended the prescribed administrative arrangements to include Community Forums or thematic working Groups at "grass-root" level. This often helped to engage the local community more effectively, and to focus on particular themes.

Once Action Plan approval was achieved, URBAN Partnership Groups had to be re-established quickly in an attempt to make up the lost time. The emphasis was on achieving financial and output targets over the compressed operational period. This paramount pressure of output-orientation affected the manner of operation in many cases, with insufficient time to allow for the development and maturing of partnerships, including community involvement and capacity-building.

Many regions decided to build the Urban Partnership Group on existing structures. In Swansea, for instance, the partnership evolved from a pre-URBAN housing project. In Hillfields, Coventry the Community Organisation W.A.T.C.H. served as an ideal basis for the UPG. In all four URBAN regions within Merseyside, the UPGs were formed through earlier arrangements under SRB and/or Objective 1. The use of existing structures, usually, facilitated a more efficient start of URBAN and often included work already undertaken for capacity-building and community involvement.

However, other regions established the UPG as a new structure. The most interesting examples include Nottingham, Sheffield and Shepherd Bush in London. In Nottingham, the City Council established The Partnership Council as the UPG. Various free-standing local fora, which are independent to the City Council and the UPG, nominate representatives to the Partnership Council, thus ensuring a widespread representation and reflecting local community needs and objectives. Local fora are informed by thematic working groups and have a broad remit and consultative role regarding the development of project ideas and priorities to be drawn up in Service Level Agreements according to local needs. To gain political acceptability from the City Council, the Partnership

Council included an 'Area 4 Forum' comprising local councillors; this created constructive links into the Council.

In Sheffield, the development of the URBAN Action Plan facilitated a legal structure to emerge, the 'Community Alliance Project'. The Community Alliance was set up in September 1998 and was established as a 'Company Limited by Guarantee.' The company has its own staff and its members are local voluntary and community groups; and it elects an Executive Committee. It has themed sub groups which feed into the project development process.. The Community Alliance has been set up with the particular view in mind to create a sustainable community structure for the urban areas of Netherthorpe and Upperthorpe. Project ideas and applications developed by local groups/organisations/individuals are forwarded to the Partnership Group, a strategic partnership body that endorses applications for funding and serves as a sub-group of the Community Alliance.

The principle of the Alliance is that it should encourage a bottom-up approach, flexibility and hands-on project development work within a coherent, co-ordinated and strategic framework towards long term regeneration and sustainability. Currently the Accountable Body is Sheffield City Council, but the objective is to incorporate Accountable Body status within the Community Alliance structure.

In Shepherd Bush, the URBAN vision of the local leader Councillor, enabled the establishment of the UPG as a Company Limited by Guarantee. In 1997 structures were already in place, including a UPG Ltd Board of Directors that manages cash flow and draws down up-front Structural funds, and a UP Advisory Board with a wider membership. Collectively these are termed the URBAN Partnership. UPG Ltd. is the only example in the UK which combines UPG and Accountable Body status. There was a strong local authority lead in the set up of UPG Ltd. and the creation of a bottom-up community infrastructure was difficult. The UPG Ltd was now regarded as a forum for dialogue between local authority and the community.

In Scotland, Partnership Boards were established (i.e. Glasgow North Partnership Board and Paisley Partnership Board), working closely with the Strathclyde European Partnership on pre-appraisal and programme monitoring issues. Community Forums were established to present project applications coming through Local Strategy Groups and to feed back comments from the Partnership Boards to the applicants. In Scotland, URBAN was often matched with SIP (Social Inclusion Partnership) funds and structures.

In regions with no previous experience of European Funding or SRB, the scale and complexity of the tasks involved in setting up and operating UPGs were usually underestimated. In many cases, like Brighton and Bristol, some groups such as people with disabilities, and ethnic minorities were initially under-represented which led to their limited engagement with project development.

A common complaint during the first year of UPG operation was the limited representation of 'real' community members and local businesses. Subsequently, in most regions more seats were made available for community groups. However, difficulties were experienced in engaging businesses and

community members, due to the time involved, and the difficulties of finding individuals with sufficient understanding and interest to engage in complex URBAN funding and management issues. URBAN partnerships such as Birmingham, Bristol, and Paisley reported these difficulties.

Overall, the UPG can be regarded as an effective instrument towards generating local ownership and sustainability of the regeneration process, provided resources and means are made available to facilitate community participation and capacity building. In this context, the examples of Nottingham and Sheffield are examples of good practice.

5.2.2 URBAN Staff and Servicing Arrangements

URBAN staff, a vital component in the delivery of URBAN, has been primarily match-funded by the respective local authority in area. In many cases, the employment of appropriate staff occurred after Action Plan approval or even later, which often delayed an efficient approach to project development and community involvement. The delay in employing dedicated staff mainly reflected the mistaken assumption that URBAN processes were considered less complex. In most areas with SRB funding, the original idea was to merge URBAN project and programme management with SRB; however, after realising that there were major differences with how both Programmes operated, additional staff were employed.

In Sheffield, contrary to the majority of other areas, URBAN staff are employed and directly accountable to the Community Alliance, a 100% community owned company. The major impact of this employment option is that the community can exercise more control and ownership of the Programme and its implementation.

In most URBAN areas, the local authority provided effective servicing support which enabled Urban Partnership Groups to work efficiently. Through the goodwill and significant commitment by local authorities, many UPGs would have failed to get off the ground. Although UPGs have been designed as community led organisations, the support of local authorities is an essential component of a successful programme.

Staff retention, especially on time limited contracts has, however, been a key issue for many partnerships. This is particularly acute where the area has a range of longer duration regeneration programmes in need of expertise. The concept of local protocols on staff pooling, progression/transfer of non-poaching has been floated in several areas but has proved hard to put into effect (and would restrict the free movement of labour).

5.2.3 The Community-Led Process

Building of structures and partnership

The establishment of management structures and the development of partnerships in URBAN faced two major tasks: to welcome new partners to the decision making tables; and to build capacity to handle the complexities of a European funded programme.

An effective way of facilitating the development of partnership relations was by investing in capacity-building initiatives before and during Action Plan design. This pre-investment in capacity-building of URBAN partnerships helped to inform partners, clarify roles, responsibilities and expectations at an early stage. A good example of commitment towards URBAN is Government Office for Yorkshire and the Humber, which supported early capacity building, and positively encouraged the community groups to consider new structures and approaches in implementing URBAN.

URBAN required the set up of a new type of partnership. To incorporate the community-led aspect of the programme, representatives from the local community were invited to join the professional decision making bodies. In most regions, local authorities took the lead in forming the URBAN Partnership Group (UPG), by inviting the established statutory bodies in economic development as well as key organisations from the community and voluntary sector to become UPG members.

In addition, key individuals from the community were chosen by the local authority, to represent their neighbourhood. In various areas like Brighton, Birmingham, Coventry, Liverpool, Heart of the East End and Liverpool, an attempt was made to involve the community at large and to allow community representatives chosen from the community to join the UPG. This approach was followed, initially, in Swansea but did not work and required firm remedial action. In some other areas, the creation of an URBAN partnership was extremely difficult with interested community members not being accepted and excluded from the URBAN process by the local authority.

Overall, the merging of the professional with community groups needed time to grow and mature. At the beginning of the process, most regions experienced a lack of understanding and mutual mistrust. This atmosphere of suspicion made it difficult to deliver URBAN as efficiently as it was necessary under the given time constraints.

The Building of Equal Partnerships

The UPG was designed to be at the centre of the community-led decision making process and the day to day management of URBAN. The overall management process was guided by documentation from the Government Offices.

As indicated in the Action Plan documents, on average 60% of all seats were allocated to the community sector which - in theory - should have enabled a

community-led partnership. But apart from a lack of definition in terms of how this community-lead was to be interpreted, the partnership was far from being a partnership of equals. In some areas, community representatives were confronted with the professional style, language and technical expertise of established economic development organisations, which they could not match.

To a considerable extent this situation was worsened by the fact that many community representatives did not have access to Government Office information and guidance. Depending on the willingness of the professional partners to co-operate, and depending on the existence of other agendas, the frustration and disillusionment grew significantly with the growing awareness of the complexities of EU-funding regimes.

There was evidence, too, of a cynical 'grant stalking' behaviour by agencies and (larger and better organised) voluntary organisations which could, at times, intimidate local community representatives. There are, however, examples of such agencies and organisations being rejected, including their match funding where community representatives considered the project to be inappropriate. In Hillfields action was taken to prevent grant stalking by professional public and voluntary sector applicants by introducing a first stage development phase which not only gave everyone an equal opportunity to bid, but prepared the way for a final stage level playing field application process to be implemented that directly favoured community applications.

In most regions, members of the UPG were not clear about their roles and responsibilities. What did community involvement and partnership mean in practice and to what extent? The experience was that professional sector members could win any argument in any case, because of their advantage in terms of technical knowledge and familiarity with previous European or UK funding programmes.

A pre-requisite for any partnership development was the willingness by all sectors involved to make it happen and, if necessary, to change attitudes and styles. It was commonly reported that the co-operation and partnership work between all sectors improved considerably over time and alongside an improved understanding of the complexities of the URBAN Programme.

However, in some URBAN areas, progress was slow in creating a space for new partnership and co-operation; old power-structures prevailed and left the community at an arm's length of real participation.

In areas where a formal set-up of the UPG was supported by a clear constitution and terms of reference, a reference point and foundation was created to ensure the development of a more balanced partnership (such as in Hillfields). The overwhelming opinion was that equality of partners can only be established, when all partners involved have the capacity to understand all aspects of the programme. This point emphasises the importance of capacity-building at an early stage.

UPGs went through the most challenging partnership relations at the beginning, but in most cases perseverance, commitment and a willingness to change facilitated a workable solution. An interesting example is Swansea, where

severe partnership difficulties were overcome, by seeking independent advice and by starting the partnership development again.

Over time, many UPGs incorporated more 'real' community representatives, such as residents and local businesses of the area rather than representatives from large-scale voluntary sector bodies. However, difficulties remained in filling the places; with demands on time often expressed as prohibitive for both the local community and the business sector. The Evaluation recommends that a number of factors could stimulate more community members to join bodies like UPGs in future, such as simplified application processes and programme management procedures, wider remit of regeneration themes and programmes, more long-term regeneration programmes, mainstreaming of community participation so to increase its importance in the eyes of statutory organisations.

5.2.4 The UPG as a Central Decision Making Body in Local Regeneration

The results of the URBAN programme, including the Action Planning Process, showed, so far, that the URBAN Partnership Group has a clear potential to be a capable decision-making body in local economic regeneration. The achievement of its full potential will always be conditional, however, on a sufficient degree of political willingness, time and financial commitment given to allow each Group to gain the relevant expertise and maturity to exercise its role and develop capacity.

The underlying rationale for community representation and participation in local economic regeneration relates to the objectives of increased level of local ownership, sustainability, and, therefore, improved effectiveness of the local regeneration process. The UPG was designed to embody this rationale and offered, in addition, an ideal forum for partnership development between the professional and community sectors.

The Interim Evaluation can only comment on the overall process and results achieved so far regarding overall effectiveness, partnership and capacity gains. The following table gives an overview of all individual UPGs and their self assessment of capacities and functions within the URBAN programme setting. The assessment was undertaken on the basis of the questionnaire results and applies a score on a sliding scale from 0 to 5, with 0 indicating the lowest, and 5 the highest score of satisfaction.

The table indicates that UPGs, who responded to the questionnaire, were generally well satisfied with the progress and processes at UPG level. As mentioned elsewhere in the report, the overwhelming majority of UPG members interviewed during the evaluation reported substantial improvements in mutual understanding and partnership development between all players involved; extensive capacity building activity of UPG members led to a recognisable increase in capacity, technical expertise and strategic know-how.

UPG Self-Assessment Per URBAN region							
	Is UPG an appropriate mechanism to deliver URBAN?	Level of responsiveness to training needs within UPG.	Is an open, accessible communication system in place?	Do UPG partners actively encourage the community to develop projects?	Level of understanding of appraisal process within the UPG.	Is sufficient management, technical support offered?	Is the monitoring system effective?
Swansea	◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆	◆◆◆◆	◆◆◆◆
Leeds	◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆	◆◆◆
Paisley	◆◆◆	◆◆◆	◆◆◆	◆◆	◆◆◆	◆◆◆◆	◆◆◆
Birmingham	◆◆◆	◆◆	◆◆◆	◆◆◆	◆◆◆	◆◆◆◆	◆◆◆
HEE	◆◆◆	◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆	◆◆◆◆	◆◆◆
Coventry	◆◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆◆◆	◆◆◆	◆◆◆◆	/
Brighton	◆◆◆	◆◆◆	◆◆◆	◆◆◆	◆◆◆	◆◆◆◆	/
Glasgow North	◆◆◆◆	◆◆◆	◆◆◆◆	◆◆◆	◆◆◆◆	◆◆◆	◆◆◆
Sheffield	◆◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆◆◆	◆◆◆◆	◆◆◆◆◆	◆◆◆◆
Bristol	◆◆◆	◆◆◆	◆◆◆	◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆◆
Leasowe	◆◆◆	◆◆◆	◆◆◆◆	◆◆◆◆◆	◆◆◆◆	◆◆◆◆◆	◆◆◆◆
Liverpool Central	◆◆◆	◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆	◆◆◆◆	◆◆◆
Netherton	◆◆◆◆	◆◆	◆◆◆	◆◆◆◆	◆◆◆◆◆	◆◆◆◆	◆◆◆◆
Nottingham	◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆	◆◆◆◆	◆◆◆
Brent		◆◆◆	◆◆	◆◆◆	◆◆◆	◆◆◆	◆◆◆
Queens Park	◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆◆	◆◆◆◆◆	◆◆◆
Manchester	◆◆	◆◆◆	◆◆◆	◆◆◆◆	◆◆◆		◆◆◆
Shepherds Bush	◆◆◆	◆◆◆	◆◆◆◆	◆◆◆◆◆	◆◆◆◆	◆◆◆◆◆	◆◆◆◆
North Huyton*	◆◆	◆◆	◆◆◆◆	◆◆◆	◆◆◆◆	◆◆◆◆◆	◆◆◆◆◆

Scale is based on ◆◆◆◆◆ for a very positive assessment, to ◆ for very negative
 * the assessment for North Huyton is only based on 1 response to the questionnaire

The key achievement of URBAN, so far, can be reported as a major step towards local partnership and capacity development, in a way no other programme has attempted before. Based on the overall feedback received during the evaluation, the URBAN programme, with its Action Planning approach, has been a worthwhile process, despite all the difficulties and time constraints reported earlier in this report.

5.2.5 Project Selection and Programme Monitoring

PROJECT APPLICATION PROCESS

Due to the fact that the standard ERDF and ESF application forms proved to be much too complex to stimulate project applications from community groups, most regions designed a two-stage application process. The first stage usually included the request for a simple outline of the project objectives and outputs (i.e. expression of interest), which was then pre-assessed regarding programme

priorities and eligibility. Some regions (Heart of East End, Bristol, for example) provide a Community Outreach Worker who then advised the writing up of the proper ERDF or ESF application form.

In Nottingham and on Merseyside, the ERDF/ESF application forms were revised in close co-operation with the respective Government Office. The new forms usually contained sufficient explanatory notes and plain English.

Often, and in addition to the above activities, regions felt it was vital to undertake workshops with the local community, delivering training in project application procedures. Heart of East End produced a very good guide to successful project development and management.

The overwhelming criticism from community members regarding application forms was that the language used was too technical, the complexity of the forms was in-appropriate for small scale projects, and the existence of two forms (ERDF and ESF) was too cumbersome. It was felt that URBAN would have benefited considerably from a single application form in plain English.

The lack of more appropriate, simpler application forms was a considerable barrier to involving community groups in URBAN. It also increased the already existing imbalance between larger community organisations and the statutory sector, with the latter's advantages of technical knowledge, and smaller groups with no previous knowledge in European funding and project application procedures.

In addition, the application process, as much as the subsequent monitoring process, could have been more efficient, if eligibility criteria had been clearer and more readily available to UPGs and staff.

PROJECT SELECTION PROCESS

Project appraisal processes were overwhelmingly regarded as fair procedures and no major criticism was expressed by UPG members. In most regions, Appraisal Panels, appointed by the UPG, undertook the scoring of applications, which were then forwarded to the UPG Board for approval/rejection. Selection criteria were usually designed by Government Offices and formed the basis for any appraisal process.

Over time, some local authorities successively withdrew from the appraisal and selection process (Nottingham, Heart of East End, Liverpool Central), to encourage a more independent, community-based selection and to overcome potential points of conflict of interest. Because of the Accountable Body status of most local authorities, final audit/eligibility checks were, however, still carried out before UPG approval.

In some cases, the expertise of statutory bodies was drawn upon when necessary, or in the case of the two Scottish URBAN regions, Strathclyde European Partnership carried out Structural Funds technical checks before an application was discussed by the Appraisal Group.

Appeal procedures were established in some regions, but more often re-application was the preferred option for rejected projects.

Overall appraisal procedures were reasonably well installed, provided scoring was undertaken by a group of appraisers, scoring records were kept on file for transparency, and procedures were in place to declare interest (not all UPGs could provide evidence for this).

PROGRAMME MONITORING PROCESSES

Many UPGs and Accountable Bodies did not appreciate that the administrative processes involved in the design and operation of appropriate monitoring systems would be as demanding and time consuming. In areas with SRB funding and with associated processes installed, the attempt was often made to merge the URBAN with the SRB process. This met, however, with little success. Usually, a new monitoring/claim system had to be set up.

European Structural Fund monitoring is extremely complex and some of those consulted for this Evaluation considered that up to 2.5 FTE monitoring staff were required per URBAN region. As required by Structural Fund guidelines, monitoring/claiming procedures are undertaken on a quarterly basis.

Liverpool Central, Bristol, Nottingham and Heart of the East End, had efficient monitoring systems in place. They usually incorporate reminder services for projects which had missed claim deadlines, Monitoring Officers to check on projects with claim difficulties, general hands-on advice on monitoring form-filling, and a feedback mechanism to up-date UPG members on project progress. The above regions use their monitoring information successfully to review Programme progress, gaps of provision and forward planning.

The Interim Evaluation of URBAN incorporated a review of financial commitment in each region. Based on the information received, most regions do not appear to have effective project monitoring systems in place yet. Usually information could not easily be delivered in a user-friendly and aggregated manner. This could probably be a reflection of the lack of technical assistance budgets available for Accountable Bodies to undertake appropriate action, and their under-estimation of time and effort necessary to set up appropriate monitoring systems.

Some Accountable Body staff felt that claiming/monitoring forms and respective systems are too mechanical and limited in the amount of qualitative information requested for to show URBAN achievements more comprehensively. The ERDF claim process in particular, was paper-based and only inquires about basic quantitative outputs and financial management information, which was regarded as fundamental weakness of URBAN. It was felt that the ERDF framework was far too basic a tool for recording the breadth of activity undertaken through URBAN. The system could be significantly improved by including accounts for the community based 'soft infrastructure'; outputs which cannot be recorded by the present monitoring system, but which could show URBAN wider impact on community regeneration and development.

The main problems occurred, however, in the inability of community groups to cope with the administrative demands of the monitoring process. They were generally solved only after direct assistance from the Accountable Body. Some accountable bodies, like Brighton, successfully delivered workshops regarding the appropriate completion of monitoring reports. A continuous problem surrounds the information provided and definition of eligible expenditure and outputs.

Many programme managers and their UPGs felt ill equipped to correctly implement monitoring processes until DETR and DfEE carried out technical training in Action Plan specific monitoring procedures, at a technical seminar in April 1999 .

5.3 THE ACCOUNTABLE BODY

5.3.1 Legal Structures

In most regions, Urban Partnership Groups were not set up as legal structures with accountable registration status and, therefore, had to appoint an Accountable Body to execute financial management and accountability procedures for the Programme. The Accountable Body was formally accountable to the Programme Secretariat for the delivery of the agreed Action Plan and that all requirements are met. Key responsibilities included the receipt and use of Structural Funds; the operational programme management; the achievement of the aims and objectives set out in the Action Plan.

Most commonly, local authorities were appointed by the URBAN partnership to fulfil this role; in Scotland, Strathclyde European Partnership and in Queens Park, London, the Paddington Trust (the only combined UPG/Accountable Structure in UK) were alternative options for Accountable body responsibilities. In Shepherds Bush/White City the UPG ltd. was accountable for the programme itself.

Various URBAN regions, like Nottingham, and Hillfields, set out Service Level Agreements with their Accountable Body to ensure clarity of responsibilities. Service Level Agreements also allow the UPG to stay more in control of service delivery, partly by more clearly defining the relationship between UPG (the client) and the Accountable (the service deliverer).

Guidance Notes issued by the DETR over the period of May 1997 through July 1998, detailed responsibilities, systems, procedures and special operating conditions applicable to Action Plans and their management by Accountable Bodies.

There is no financial support available for Accountable Bodies to undertake technical assistance under URBAN, in contrast to SRB and other European Community Initiatives like LEADER for example. As a consequence, local authorities incurred additional costs in their role as Accountable Bodies, including the time needed to provide advice and guidance on project appraisal, project development, and financial and output monitoring.

Despite the lack of formal recognition, it terms of eligibility for technical assistance, the Accountable Body's role was fundamental to the implementation of URBAN. It is unlikely that Government Offices could have made available the resources to carry out this function, and many Government Offices are quite distant from the URBAN communities.

5.3.2 Project Selection versus Financial Responsibility

Relationships between UPGs and Accountable Bodies have often been difficult. The fundamental difficulty was inherent to the prescribed administrative system of URBAN in as much as decision-making, i.e. project selection, was taken by the UPG as a community-led body, yet the financial responsibility for selected projects lay with the Accountable Body.

This problem could not be easily overcome, and reflects a similar problem with the relationship between Objective 1 and 2 PMCs, and the Government Offices. In many regions it was felt that the Local Authority as Accountable Body gained an undue influence over project approval and financial control driven by their obligation to adhere to strict financial regulations.

At the same time, Accountable Bodies often felt that they were largely prevented from having a real input into community-led Action Plans and subsequent project selection, despite their role as guarantors, assuming financial risk for projects. This could potentially have led to the situation where Accountable Bodies had to endorse projects that were regarded as high-risk, in terms of their financial and output reliability. Alternatively, where the Accountable Body was not prepared to take that risk, it was perceived as too restricting and dominating the UPG decision-making process.

The aims of the URBAN programme were generally understood as to fund a new, innovative approach to urban regeneration. The need to comply with pre-set SPD outputs and the obligation to achieve those target outputs do, to a certain extent, prohibit innovation. It was generally understood that this new approach would incorporate a degree of risk taking in allowing for pilot actions. Pilot projects, however, must anticipate the potential for failure, from which to learn, in order to progress urban regeneration in an innovative way. However, Accountable Bodies were required to ensure both the financial accountability of public money and the achievement of outputs in line with the contractual basis of the Action Plan. This obligation to achieve usually prohibited any endorsement of experimental or higher risk projects.

5.3.3 Partnership between Accountable Body and UPG

Over time working relationships between UPGs and Accountable Bodies improved and differences in approach and agenda (local authorities usually tended to have a more strategic agenda than local communities) were often overcome by the appointment of nominated, dedicated UPG officers who could be seen as more independent and objective. The intensive involvement with the Accountable Bodies in URBAN, including the Action Plan development and the Programme management, have helped local communities significantly to become more strategic.

In an attempt to devolve more responsibility to the local community, Liverpool City Council trained community representatives to undertake project scoring for the appraisal process; the local authority now has the reduced role of appraisal panelist.

Nottingham Partnership Council (UPG) organised a pre-application-stage process whereby Working Groups and Accountable Body jointly developed project specifications to put out for tender by service providers. This provided more opportunity for the Accountable Body to comment on project selection without taking the lead.

Provided the political will for community involvement was present, Accountable Bodies were generally regarded as helpful and supportive. In Nottingham, the Accountable Body revised the Application Form and designed a new more user-friendly monitoring/claims system and provided support for local groups in completing monitoring forms and meeting deadlines. In addition, Accountable Body staff was based locally, at the same premises as the Partnership Council officers, which facilitated excellent access to information and communication.

In Bristol, as in many other URBAN regions, the Accountable Body used its bankrolling capacity to speed up payment of claims, or even provided cash up-front for individual projects. These positive actions helped overcome two of the most often mentioned barriers to community involvement, the lack of up-front funding and the cash-flow difficulties experienced by smaller organisations.

5.4 THE ROLE OF DIFFERENT SECTORS

The UPG normally incorporated a wide range of partners from different sectors, usually from the local authority, TECs/LECs, further/higher education, health boards, police, and business/private sector, local councillors and the community and voluntary sector.

The most dominant sectors in this partnership were the local authority, reflecting its lead role in setting up the process and its role as Accountable Body, and the local community, as prime focus for URBAN.

Over time the dynamics of the partnerships changed. Initially, local authorities and the main statutory bodies in most regions regarded URBAN as a suitable, additional funding source for their individual project agendas. However, once the local community gained a more thorough understanding of the Programme, partnership relations became more difficult. The local community started to take more ownership of URBAN and gradually became the sector with the strongest interest in URBAN.

The role of the community and voluntary sector has not always been clearly defined and, if not initiated through SRB/Objective 1, 2 or Community Initiatives, time was needed to establish the parameters and working partnerships. There have been difficulties in representation regarding a bias towards well-known and capable large voluntary organisations, and an under-representation of smaller organisations, but with equally important local knowledge and commitment. Some of those difficulties still prevail, due to lack of time and capacities to become more fully involved in URBAN. The feedback of URBAN

processes and opportunities from community/voluntary sector representatives to the local community was not always guaranteed, as competition for relatively small amounts of funding often prevented the development of a common agenda in the community.

The key role of the community/voluntary sector representatives has, however, overwhelmingly been one of trying to gain ownership and influence over the URBAN programme. Despite frustration with bureaucracy, and limited capacity, the extraordinary commitment and perseverance of key individuals has made some URBAN programmes much more community focused.

Once the local community gained influence, statutory bodies (excluding local authorities) often seemed marginalised, at best offering a supportive role, if and when required. The point was often made in the consultation exercise that many of the statutory agencies did not attend meetings or were unwilling to adjust their services to a community based agenda, usually in terms of size and contents of training projects. In many cases meetings were attended, but by different individuals, to the disadvantage of continuity and an overall unfamiliarity with the URBAN concept.

This lack of commitment often led to match-funding difficulties, which left the local authority as the key source of match-funding. This was particularly the case for funding for capacity-building activities which other statutory bodies perceived as a low priority. There were, however, individual examples of good practise where TECs, for instance, did invest in some innovative schemes. (i.e Swansea and Heart of East End, London were a good example).

In most regions, there was a lack of private sector/ local business involvement, usually due to lack of time and/or lack of interest. Only a few URBAN areas managed to engage the private sector successfully; Nottingham, for example, invested particular effort in its local enterprise forum which after initial difficulties worked well now.

The reliance on the local authority regarding capacity-building, provision of technical support and advice as Accountable Body, and for match-funding purposes, often left the local authority in a powerful position. In some cases the local authority was still regarded as dominating and controlling the entire URBAN process. Overall, however, the relationship between local authorities and local communities was said to have improved and was usually regarded as an effective working partnership.

5.5 GOVERNMENT OFFICE SUPPORT

Government Offices have overall responsibility for the URBAN Community Initiative and are represented on the Programme Monitoring Committee and URBAN Management Committee to oversee programme implementation and complementary issues as well as Action Plan reviews and capacity-building initiatives.

Overall, Government Offices were regarded as helpful and supportive in dealing with technical issues mainly regarding eligibility. Action Planning as adopted as

well under other European Funding Programmes and Initiatives was as much a new approach to managing Structural Funds as it was for any other sector.

Few Government Offices demonstrated particular interest and commitment in pro-actively encouraging community involvement and capacity-building initiatives. Government Offices played a critical role, whenever their support exceeded the usual role as technical and eligibility gate keepers, as it was shown in Merseyside where officers went the 'extra mile' to enable URBAN to take more creative approaches, or in South Yorkshire where action was initiated even before Action Plans and related budgets were formally approved.

In many regions, Government Office URBAN was often described as the learning experience for the public sector in dealing with community involvement. In this respect URBAN was regarded as pilot programme and it was accepted that many mistakes and/or inefficiencies did occur. However, it was felt that staff benefited from URBAN, and that as a result more recently community oriented programmes now enjoy the benefits of the URBAN experience and can be implemented more smoothly.

The local community experienced some difficulties due to the understaffing of Government Offices and the length of time bureaucratic processes like claim procedures and payments take. The rotation cycle of Government Office staff was also of considerable disadvantage to URBAN. In many cases new staff were unfamiliar with URBAN and negotiations and agreements had to start all over again.

Government Offices did not feel able to interpret eligibility differently or adjust rules to take account of the URBAN context, although attempts were made to clarify eligibility issues promptly (this was not always possible). There were differences in interpretation between Government offices, and this inconsistency was a source of frustration to many Groups. There is a belief among community groups, that a more liberal interpretation of some eligibility rules could have been taken.

5.6 THE URBAN MANAGEMENT COMMITTEE

The URBAN Management Committee (UMC) incorporates the main funding agencies and was designed to undertake capacity-building actions and ongoing reviews of Action Plans.

In many URBAN areas, the UMC was merged with the Programme Monitoring Committee, often because of the similarity and overlap of representatives on both groups. Usually PMCs either added a UMG agenda to their meeting, or meetings were held in rotation (every other time the one or the other).

The findings of the Evaluation indicate that there was generally some confusion with regard to the overall purpose of the UMC placed alongside the PMC and the UPG. The role and responsibilities identified for the UMC seem to overlap responsibilities allocated to the UPG and PMC and there was no clear distinction between the existing bodies and their role.

5.7 THE UK URBAN NETWORK

The UK-URBAN network was established in June 1997 and formally launched in June 1998 with the employment of a Network - co-ordinator the following January. The Network was funded by its members, which included 20 UPGs (including Belfast, and three sub-UPGs of Park Royal).

Its main objectives were the following:

- to share good practice and information;
- to provide mutual support; and
- to debate and lobby on issues regarding URBAN.

Quarterly conferences were organised, hosted by one of the UPG members in turn. The co-ordinator informed, and produced a newspaper, the 'URBAN NETWORKER' three times a year since March 1999.

The Network business and the co-ordinator were managed by a Steering Group, elected at the annual conferences.

The findings of the Evaluation are mainly based on the results of the questionnaire and interviews held with UPG-members, including community representatives, and on observations made during the attendance of two quarterly network conferences.

At the start of network operations, some UPGs saw the Network trying to establish itself as self-appointed trouble-shooters and developing a compliance mandate. These problems were now overcome and the Network was valued for the connections it had helped to establish and maintain.. Other UPGs preferred the initial period, where the Network was instrumental in clarifying technical issues with the European Commission. Once most of the issues were resolved, they felt that the purpose of the network had somewhat diminished.

Overall, the Network was regarded as a positive vehicle for UPGs to receive information, to connect and to share experiences. There were conflicting views, however, regarding its effectiveness in facilitating the actual transfer of practical experience between its members. This partly reflects the difficulties of transferring experience, per se. During the course of the Evaluation, one UPG left the network, because of its perceived limited practical use for its community members (although it has since rejoined).

At the same time, some Accountable Bodies felt that the Network was mainly a forum for the community and that it was less accommodating for Accountable Body issues and concerns. Some of the concerns referred to the fact that the Network Steering Group refused to accept Accountable Bodies as full partners. Accountable Bodies have also been concerned at occasions when the Steering Group has involved itself in direct discussions about technical programming issues at national and European level, without consulting with the Accountable Bodies.

Attendance at network conferences was generally good. Many member UPGs participated regularly and felt that the meetings contributed to capacity-building

of their UPG representatives. Some UPGs used the conferences pro-actively in that they encouraged participation not only by UPG members, but also by community project leaders and minority groups, i.e. youth groups.

In addition to conferences, some UPGs organised visits and exchanges which were generally seen as very beneficial and inspiring. The main problem again, was referred to as the difficulty in actually transferring and implementing experience from elsewhere.

The newsletter, the URBAN NETWORKER, presented a good mix of useful information, clarification of policy and technical issues, and examples of good practice. Information was also distributed via the recently established URBAN Website.

A major problem to the Network was the lack of official recognition for networking. As mentioned previously, only a few Action Plans explicitly mentioned networking, and therefore, funds for participation were extremely limited (UPGs like Brighton and Brent could not effectively participate due to unavailability of funds).

Overall, Network activities under the UK-URBAN initiative could be regarded as active, comprehensive, and of benefit to UPGs in general. The focus and purpose of the Network, passed the December 1999 commitment deadline, will probably have to be re-defined, in order to accommodate the demands of the next phase, focusing to a much greater extent on project management, monitoring and sustainability issues.

5.8 GOOD PRACTICE

1. Urban Partnership Groups should have a clearly structured constitution to provide a basis for members to act and rely upon; the constitution and other relevant documents, i.e terms of reference, should be readily available and accessible;
2. The rights of community groups/interests to nominate their own representatives should be acknowledged in the Action Plan; and should be based on democratic principles;
3. The legal set up of an Urban Partnership Group as a charity/company limited by guarantee may be beneficial in terms of greater independence, less conflict of interests, and more coherence regarding project selection and financial responsibility, provided the UPG is the leading CED organisation in the area whose remit goes beyond URBAN and whose perspective is longterm
4. Urban Partnership Groups require time and capacity-building to mature and work efficiently, ideally before any project development or project submission is processed;
5. A 'Watchdog body' or appeal procedures should be available to ensure fair-play in UPG mechanisms;

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6. Local staffing arrangements and protocols could be usefully established with other regeneration programmes to provide for job security, progression and staff retention in short life programmes like URBAN (without infringing on individuals right to move to more secure employment);
 7. The development of a two stage application process facilitates a more efficient project development;
 8. ERDF and ESF application forms are not suitable for smaller, community led projects;
 9. Community based regeneration programmes should have a straight forward and simple application process, ideally only with one application form for all projects. The design of new, more appropriate forms should be based on consultation with previous applicants and programme managers;
 10. Programme monitoring systems need improvement with regard to user friendliness, availability of relevant data, and comparability;
 11. The ERDF requirement to claim for deferred expenditure only is difficult to meet by small community organisations, regulations should be relaxed alongside ESF regulations to overcome cash flow problems, or explicit guidance and encouragement of statutory agencies should be given to provide forward funding;
 12. Networking should be a mandatory part of any Action Plan; and
 13. Technical assistance budget lines should be incorporated from the beginning of the programme.

6. MATCH-FUNDING AND COMPLEMENTARITY

6.1 CONTEXT

Match-funding is one of the key funding principles of European Funding in UK. Structural Funds in mainstream programmes as well as in Community Initiatives can only co-finance a given part of eligible project costs. The remainder, matching funding, must be found by the project applicant from other public and/or private sources. The maximum grant rates for co-financing are described in the Single Programming Document relevant for regeneration in Objective 1 and 2 areas.

European Structural Funds cannot be matched with other European Funds, i.e. URBAN cannot be matched with Objective 1 or 2 sources. However, SRB/SIP and some other UK public, or private monies are 'clean' and suitable sources of match-funding. In addition volunteer time and 'in kind' contributions are eligible for match-funding under URBAN, guided by DETR and EC funding regulations.

6.2 MATCH-FUNDING SOURCES

The majority of URBAN Action Plans outlined potential match-funding sources only in very general terms as public and private funding sources. Some Action Plans however identified key sources in some more detail, mostly referring to SRB, National Lottery, Local Authority, TECs/LECs and English Partnership as potential funding streams.

6.2.1 Single Regeneration Budget (SRB)

Overall SRB match-funding (usually Single Regeneration Budget Rounds 1, 2 and 3), in Scotland SIP (Social Inclusion Programme) funding, have been considered as a 'perfect' match for URBAN as both programmes targeted deprived inner-city areas. In many ways SRB/SIP did turn out to be one of the key funding sources for URBAN, however not in as 'perfect' a way as originally thought.

URBAN was understood as much more innovative, bottom-up and customised to local circumstances than SRB. Although SRB offers simpler access to funding and simpler programme management requirements, community involvement is not considered as high a priority as under URBAN and therefore is more readily available for statutory bodies and the established economic development organisations.

Key problems with SRB match-funding were experienced in:

- the late approval of URBAN Action Plans and the resulting allocation of SRB monies to projects with other sources of match-funding;

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- the lack of anticipation of URBAN in SRB programmes and SRB Action Plans;
 - incongruous geographical areas of programme coverage;
 - time mis-alignments of both programmes;
 - mis-match in eligibility, i.e. housing;
 - the difference in reporting systems for SRB and URBAN.

In most areas, Government Office and local authorities were unprepared for the differences between both programmes which often resulted in duplication of efforts, inefficiencies or, worse, reluctance to use URBAN with SRB/SIP.

Despite the above difficulties, in Sheffield a combined SRB/URBAN bidding round was ran to ensure that the area's remaining SRB was best used to match as much URBAN as possible and a single application form and a single application process was developed.

6.2.2 Local Authority Match-funding

The other important source of match-funding for URBAN activities were local authority budgets, usually from the housing, planning, economic development and community development departments.

In Merseyside, a considerable percentage of URBAN allocations were pre-matched with funds of the designated Health Action Zones' resources in line with existing regeneration activity in the area.

Other local authorities, like Manchester and Swansea, ring-fenced certain budgets for the exclusive use for some of their URBAN measures. This commitment was extremely useful and facilitated a much smoother implementation of the programme, particularly from the community point of view.

However not all local authorities were at ease with the aspect of community involvement. Attitudes and willingness to support community-led projects varied considerably between local authorities and between departments within a local authority. URBAN projects were in some cases regarded as directly in competition with local authority service provisions, and match-funding was not released. Brighton and Hove Council for instance decided not to put in any of their own resources which was a major limiting factor in terms of leverage and additionality for the URBAN programme in Brighton.

Overall the position of local authorities in URBAN can be regarded as a difficult one, as too much involvement and provision of match-funding could be easily regarded as dominating attitude and pursuing of their 'own' agenda.

6.2.3 'In kind' Contributions

The use of contributions 'in-kind', or volunteer time as match-funding was eligible from 1997 onwards and specifically permissible for ESF from 1998, and for ERDF from 1999 onwards. This should have enabled local communities to deal with match-funding in a much more appropriate and realistic way to their circumstances. However, some Government Offices were unaccustomed to this fact and were apparently opposed to the use of volunteer time matched against European grant allocations. Many regions reported difficulties or delays in clarifying volunteer time issues in project applications.

Only one major Volunteer In Kind Project came to the attention of the Evaluation. In Hillfields, Coventry, the key capacity building/training programme was based on substantial In Kind contributions. The project application was reviewed and passed by no less than three national government departments in late 1998 and then approved. This enabled over £56k of UPG Volunteer Time to be used as matching over a three year period. However, this model was not widely disseminated to other Regional Offices as a model for approving other similar URBAN projects of its kind.

The lack of clarity around the in-kind contribution issue and the late introduction of definite eligibility status of volunteer time worked against community involvement and allocation of URBAN funds in areas of real need and community based activity.

6.3 MATCH-FUNDING AND COMMUNITY CAPACITY

By the overwhelming majority of URBAN community partners match-funding was identified as barrier 'Number One' to a successful involvement of local community groups in the programme.

The overall concept of match-funding including the know-how of sourcing funding and the resulting management of multi-funded projects was usually perceived as extremely difficult and over demanding particularly for smaller sized community groups.

In many communities the requirement for match-funding was received with considerable amazement as URBAN is targeted at the most deprived communities in Britain, yet requests the communities to find the 'other half' of programme funding themselves. This critique was strengthened by the fact that other European Member States did not expect their communities to source match-funding themselves, but provide 100% match funded programmes to their URBAN regions (although there was much less real community involvement in some of these cases).

The experience of most URBAN regions in Britain was that the capacity to operate match-funding requirements was not available in local communities. In practical terms, the community had to gain capacities in various areas including:

- processing information about funding sources;

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- strategic consideration of different funding regimes i.e. priorities, objectives, outputs;
 - the appreciation of different time-scales of programmes and their budget allocations;
 - various geographical restrictions of different funding sources;
 - different application requirements per funding source; and
 - different reporting, claiming and monitoring procedures.

It was felt that even with capacity-building initiatives and advice offered through URBAN staff, many of the smaller community/voluntary organisations do not have the resources to initiate and operate multi-funded projects.

The request to remove match-funding obligations and to match community-oriented programmes at source would not only enable a wider spectrum of community organisations to participate more actively in the regeneration of their areas, but it would also simplify programme management and reduce bureaucracy. In addition matching at source at a regional/ local authority level would as well improve complementarity between available resources in a region.

In terms of domestic policy context, processes like democratic renewal and responding to the Social Exclusion Unit's work are, increasingly, reflected in policy statements of local agencies and authorities. Several take this further in anti-poverty or community development strategies. There is therefore a strong policy support which imply that additional resources should be made available.

It should be noted that the desire of community groups to have programmes match funded at the outset, assumes that this will be accompanied by a degree of flexibility as regards the deployment of funds i.e. the providers of central match funding will allow the UPGs to make the final decisions on project selection.

Positive aspects of the requirement for match-funding were recognised, as an increased know-how in fund-raising and subsequent improved project management skills and strategy. The need for match funding facilitated UPGs and applicants to negotiate on behalf of their projects and improved overall awareness of existing funding schemes and financial engineering. The increased know-how will also help to reduce grant dependencies of the voluntary and community sector in the long term. However to achieve significant progress in this respect, extensive and on-going capacity-building will be required

6.4 ALTERNATIVES TO MATCH-FUNDING

Community Chests, as a form of delegated fund schemes, have often been used to overcome match-funding difficulties for small community groups and for small scale projects in URBAN areas. This form of funding does provide a variety of advantages from a community point of view. Firstly, it is often easier to apply for; secondly, the request to find match-funding is eliminated for the applicant; thirdly, the provision of funding for small scale projects suits community based activities particularly at the beginning of programme activity; and fourthly, community groups can gain a track record by starting with small scale project management for future larger scale funding applications.

A major key success in piloting a pre-matched fund was achieved in South Yorkshire. Based on Government Office initiative, the 'Futures Fund' which was subsequently developed into the 'South Yorkshire Key Fund', was developed. The Key Fund is an Objective 2 project and provides pre-match funding of 100% up to a maximum of £25,000 (paid up front) in a 12 month period for CED activities which help community groups, create jobs or volunteering activities or prepare people for work. Managed by the voluntary and community sector, the Key Fund uses a 4 page, jargon free application form and offers project development support to applicants.

Based on the Key Fund experience, the European Commission and DETR encourage the Fund Management approach, in particular to commit remaining URBAN funds in view of the December '99 deadline. This encouragement however has come too late for many regions, and ideally should have been open to Action Plans from the beginning. Bristol and Manchester, however, are pursuing the set up of a Key Fund before the programme deadline.

Community Chests and Key Funds do not remove the requirement for match funds, they are in effect a measure/project level version of central co-financing. In these cases, one or more agencies provided the co-financing to secure ERDF/ESF support, but the applicant accesses funds at 100% using simplified systems. The bureaucracy is not reduced, it merely happens behind the scenes, and at the aggregate level. This still represents a much more accessible form of support than other more conventional approaches.

6.5 ADDITIONALITY AND COMPLEMENTARITY OF URBAN

Additionality for URBAN, alongside mainstream programmes like Objective 1,2 and 3 and SRB (or the Scottish and Welsh equivalents), has been mainly seen in its community involvement aspect. In Bristol for instance URBAN was used to provide for gaps not covered by SRB, i.e. community targeted training initiatives and focus on ethnic minorities initiatives. In Merseyside, the fact that a significant element of match-funding was voluntary sector was regarded as a good indication of local additionality.

Overall, the impression was that URBAN delivered well on additionality, based on local authority commitment and strict application of project selection criteria.

Match-funding requirements and SPD orientation also ensured a high degree of complementarity of URBAN. Generally, URBAN was usually regarded as in line with existing regeneration activity. Particular efforts in complementarity were taken when ringfencing of local authority resources, or setting up of Key Funds were initiated.

6.6 GOOD PRACTICE

The main recommendation for future programmes was, to arrange for match-funding if not at source, then at least at measure level up-front. This would not only help the local community in accessing funding in a more simple, straight forward and less time consuming manner, but it would also contribute directly to a more strategic and complementary use of available resources in a given region.

1. Community based regeneration programmes should incorporate delegated fund scheme, community chest or future fund mechanisms as a standard form of sourcing funding;
2. The future fund concept should also be encouraged as a means of achieving greater complementarity between programmes in a region;
3. Volunteer time as an eligible form of match-funding needs to become more widely accepted to enable small community and voluntary groups to access URBAN funding (rates for volunteer time should be annually indexed by DETR and DfEE).

7. CONCLUSIONS AND RECOMMENDATIONS

7.1 CONCLUSIONS

7.1.1 The Essential Features Of URBAN

The URBAN Community Initiative was established with an ambitious agenda – to tackle the problems facing some of the most disadvantaged communities in the UK, and to develop solutions with the active participation of local communities in the design and implementation of a co-ordinated response.

The essential features of URBAN have been:

- Active participation of the community in the development of an Action Plan (though this has varied considerably between regions);
- Early capacity building to allow community groups to participate in the development of the Action Plan in a meaningful way (again, this has not been carried out in all cases);
- The delegation of decision making to an URBAN Partnership Group (UPG), with significant community representation;
- The delegation of financial and other monitoring arrangements to an Accountable Body; and
- On-going capacity building to allow community groups to participate in the implementation of the Action Plan, both in the decision making structures and as project sponsors/deliverers.

7.1.2 Difficulties In Practice

The implementation of URBAN has been far from straightforward, and considerable time has been invested by all the parties concerned to agree and implement the various Action Plans. This has involved a disproportionate amount of Desk Officer, DETR and Government Office staff time, relative to the amounts of monies involved. Nevertheless, virtually every consultee believed it was time well spent.

Local authorities, through their role as Accountable Bodies and the activities of other development staff also contributed significantly to the development and implementation of the Action Plans. These efforts have been accompanied by substantial commitments by community groups, without which URBAN would have turned into an institutionalised approach to community economic development with no distinctive features.

The problems with URBAN in the UK have been considerable, and it will be important in future programmes to learn from these lessons. The key problems were:

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- Varying degrees of commitment to, and resources for, involving the community in the development of the Action Plan;
 - Considerable delays in developing and agreeing Action Plans and identifying Accountable Bodies, with a resultant loss of momentum;
 - A restricted timescale to commit resources, with implications for the degree of community involvement;
 - Difficulties with regard to the eligibility of types of co-finance, and types of expenditure;
 - Differences in interpretation between Government Offices;
 - Tensions between the Accountable Body and the UPG;
 - Frustration at the need to use ERDF and ESF forms, and technical language and procedures in the implementation of Action Plans i.e. a failure to deliver simplified systems;
 - Unrealistic expectations as to what Structural Funds can, and cannot, support;
 - A lack of co-financing; and
 - The use of inappropriate indicators and targets which did not take full account of the range of activities that UPGs considered to be important (and this introduced a degree of conservatism into the decision making process with a diminution of both innovation and risk).

Many of these problems have diminished as time has progressed, although this has partly been a result of increased familiarisation with the bureaucracy rather than the reduction in the bureaucracy, or through an increased awareness/acceptance of responsibilities.

Another factor which has reduced the influence of particular problems has been a willingness to work in partnership e.g. many UPGs seek the advice of the Accountable Body at an early stage to anticipate problems and develop solutions. This reflects UPGs maturing as organisations with a more informed view of the procedures and restrictions facing the various partners involved. The most successful URBAN Groups are those where the Accountable Bodies and UPGs operate in partnership.

Nevertheless, it should be noted that the URBAN “experience” has been frustrating for a large proportion of the community groups involved, and many individuals and groups have been alienated in the process. A major challenge for the new Programme, and any new URBAN type initiative will be to put in place arrangements that avoid any un-necessary delays.

7.1.3 Early Success

The difficulties with implementation should not be under-estimated. In spite of the many problems (which have affected regions to varying degrees) URBAN can, however, be credited with a number of successes and these early achievements should not be under-valued. These successes have been gained in spite of some regions beginning from a standing start i.e. with limited experience of Structural Funds.

Many of the consultees, from all types of organisations, highlighted the steep learning curve for all of those involved. Although now taken for granted, in the early days of URBAN Action Planning was a new concept for Structural Funds, and those involved had to develop a new set of rules, with additional interpretation required as new issues emerged. This continued into the operational period, as Groups sought clarification on a broad range of issues with regard to eligibility, monitoring requirements and other technical issues.

The evidence from this study suggests that those involved in the development of new rules and procedures attempted to be as flexible and pragmatic as possible, within the confines of a number of restrictions which were “non-negotiable”. These issues tended to relate to Structural Funds eligibility and financial accountability, and were not URBAN specific (and affected other Programmes).

The most difficult task was faced by the Accountable Bodies who were continually pressed with regard to flexibility and simplification, but who were also legally responsible for financial accountability. More guidance for Accountable Bodies, and more consistent networking between Accountable Bodies would have been helpful.

These difficulties aside URBAN can be credited with:

- the establishment of a powerful “brand” which has motivated and engaged communities in a much more meaningful way than “conventional” Objective 2 regeneration activities;
- the development of an effective Network, which has linked community groups to a wider network, and successfully transferred information between groups and regions;
- the establishment of new local partnerships engaging a wide group of individuals and community groups;
- increasing the capacity of community groups to become involved in the management of locally developed and delivered regeneration activities; and
- increasing the understanding by Government Offices, and in some cases local authorities, of the difficulties involved in building the capacity of community groups alongside a greater appreciation of the benefits of community participation.

It should be noted that these successes are far from universal and that some Groups have been much more successful than others. Key factors, in terms of the establishment of effective community involvement, have been the willingness of local agencies, particularly local authorities, to embrace the philosophy of URBAN, and to accept that increased community participation may result (in the short term) in delays to the finalisation of the Action Plan or the implementation of the Plan itself.

7.1.4 Final Results

The ultimate success of URBAN will be an assessment of two factors:

- The degree of community involvement in the development, decision making and implementation of the Action Plans; and
- Evidence that community involvement has increased the effectiveness of regeneration activities, either in terms of their relevance or the results and impact

In the majority of cases, project work has only recently begun, and it is not possible to reach an authoritative view of these factors. Nevertheless, while expressing the view that a longer operational period would have been helpful, the vast majority of those consulted were happy with the types of projects supported. The major caveat was a desire from many community groups to engage in projects related to health and housing.

There was a belief that the objectives of the Action Plans would be met, although again there was some concern at the appropriateness of some indicators and targets.

7.1.5 Initial Conclusions

Throughout the consultation process considerable support for the aims and objectives of URBAN was expressed by the European Commission, Government Offices, local authorities, and community and voluntary groups. The Programme has benefited from considerable goodwill, and a determination by a range of organisations to make URBAN work.

There are three factors that have affected both the perception of URBAN and its implementation. These are:

- An under-estimation of the time needed to develop Action Plans in the URBAN model (the need to develop and agree terms of reference for Action Plans, and the time and effort to build capacity to ensure genuine community participation);

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- A failure to simplify procedures, with the continued use of ERDF and ESF application forms and the absence of authoritative and consistent guidance on a number of issues; and
 - Raised expectations as to what URBAN could support, with a subsequent disappointment when key areas of activity were deemed (correctly) to be ineligible, such as housing.

While these difficulties have affected the early stages of the URBAN Programme in the UK, there is a considerable confidence that URBAN Groups will now go on to effectively deliver the agreed Action Plans. There are likely to be a number of other problems that will emerge over the next two years, but both UPGs and Accountable Bodies are now more confident in their roles, and the determination and resilience of spirit that has characterised those involved in URBAN should ensure that the majority of Action Plans are successfully implemented.

The URBAN Programme, to date, has been a qualified success, with the major obstacles now overcome. While the delays have been frustrating, the 1997-1999 experience should allow similar problems to be avoided in future. The key conclusions of this Interim Evaluation are that:

- URBAN has successfully engaged community groups in the development of locally based regeneration activities;
- A successor Programme for the UK should be welcomed, although changes in organisation and procedures are required; and
- The experience of existing Groups should not be lost at the end of the current period, and where appropriate Urban Programme Groups should be supported to continue their work.

7.2 RECOMMENDATIONS

A number of recommendations have been developed to strengthen future URBAN type programmes whether funded by a Community Initiative or through mainstream Objective 1 and 2 Programmes. Many of these recommendations are also relevant to initiatives that genuinely seek to involve the community in the development and implementation of locally based regeneration activities.

7.2.1 The Future Of Current URBAN Groups

Considerable time and effort has gone in to developing the current Urban Partnership Groups. The successor to the Initiative planned for the period 2000-2006 will not provide continuation funding for current Groups. Nevertheless few Groups envisage that the task will be completed with implementation of the current Action Plans. The problems facing the communities are deep seated in nature, and require a long term response.

There are a number of reasons why continued support should be encouraged for current Groups. The most important is the need to capitalise on, and further develop the experience that has been gained as a result of the current URBAN Programme. Having raised capacity and expectations it would be regrettable if local initiatives came to an end after only two and a half years of effective operation.

Recommendation 1: that the new Objective 2 programmes give priority to providing continuation funding to current UPGs, subject to a satisfactory review and the development of an appropriate Action Plan.

Recommendation 2: that UPGs take active steps to ensure that their experience influences the development and content of the new Objective 1 and 2 programmes in the UK.

Recommendation 3: that new Objective 2 Planning Teams take active steps to consult with URBAN Partnership Groups and Officers, and to consider the findings and recommendations of the Evaluation.

7.2.2 The Role Of Community Groups

Active and genuine participation by community groups is the unique feature of the URBAN Programme. As already noted, although this has slowed down the speed with which Action Plans have been developed and agreed, there is a strong belief amongst community groups, that this is a price worth paying. A number of consultees expressed the view that URBAN had managed to reach and engage groups that other initiatives had failed to involve.

There is a danger that UPGs themselves become exclusive clubs, or develop into "cartels", and a commitment to continually engage with new community

groups is required if this is to be avoided. It is important that Groups continue to build capacity throughout the life of the Action Plan.

Recommendation 4: that capacity building, to increase the ability of community groups to develop and implement projects, should be recognised as an on-going process, and should be a key element of all future URBAN initiatives. (please refer to chapter 4.5.5 'Capacity Building – A Continuous Need' for more detail).

Recommendation 5: that the number and variety of community and target groups and/or individuals actively involved in URBAN Programmes should be a key performance indicator. (for more detail please see chapter 4.5 'Commitment to Involve the Community and to Build Capacity', and chapter 4.6 'Reaching Target Groups').

Recommendation 6: that UPGs commit to changing membership to allow new groups and/or individuals an opportunity to participate in the management of the Action Plan, on the basis that UPG members must be accountable to broader local structures so that transparency and democracy can be assured (please see chapter 5.2.3 'The Building of Equal Partnerships' for more detail)

7.2.3 The Role of Government Offices/DETR

The majority of Government Offices had gone to great lengths to assist URBAN Groups, although this was made easier by the introduction of Accountable Bodies. There is considerable support for the URBAN approach within Government Offices, and some, such as Yorkshire and the Humber, have located staff in local libraries and other centres on a part time basis to increase accessibility.

The DETR have also provided considerable support, with special workshops organised as one-off events or as part of URBAN Network meetings. These meetings have been well attended, but an on-going weakness is the absence of an authoritative guide to Structural Funds and ERDF in particular.

The DETR/DTI produce a Structural Fund Handbook for use by Government Office staff. While this covers some of the information required, it is not comprehensive, and is only up-dated periodically. Although over 2,000 people are involved in Structural Funds in the UK (a conservative estimate) no definitive guide has been produced, and many organisations induct people through a long period of "learning by doing", and by informal information exchange on a case by case basis. This makes it difficult for new people to understand the systems, and strengthens the position of those who have been involved for a long time.

The use of language, even where it appears obvious, such as "commitment" or "beneficiary" also acts to exclude people, as does the nature of some guidance, such as the SEM 2000 Datasheets. Clear and authoritative guidance would greatly assist all of those involved including Government Office staff new to Structural Fund Programmes, as well as community and voluntary groups.

Recommendation 7: that the DETR/DTI produces a comprehensive reference manual for ERDF, to be made available to all of those involved in Structural Fund Programmes, including local UPG members. (please refer to chapter 5.2.3 'Community-led Process', chapter 3.2.2 'Community Involvement in the Design of Action Plans', chapter 5.2.3 'Building of Equal Partnerships', and section 4.4 'Overall Accessibility of URBAN')

Recommendation 8: that DETR/DTI produce an URBAN specific supplement for the new Programme, to be included in the reference manual and distributed to new partners and community groups. (for more detail please see chapter 3.2.2 'Community Involvement in the Design of Action Plans')

Recommendation 9: that a formal system is established to disseminate information to Accountable Bodies and UPGs, particularly where it relates to new interpretation of existing guidance or practice. (please see chapter 5.5 Government Office Support, and chapter 4.4.1 'Consistency and Reliability of Information')

With regard to the dissemination of information this could be achieved through Government Offices passing information to a wider community in each region, or undertaken centrally by DETR though electronic and paper means. The use of electronic information could be expanded into a more inter-active website.

7.2.4 The Role of Local Authorities/Accountable Bodies

Local authorities have played a crucial role in the development and implementation of the URBAN Programme in the UK. Put simply, without the goodwill and support of the local authorities, URBAN would never have got off the ground. It is important to acknowledge this role, while at the same time developing recommendations to both strengthen this role, and to ensure a balance between the local authorities' interest and those of local communities.

Local authorities have played an important role as the Accountable Body. There are a number of factors that have made this role far from straightforward. These include:

- a failure to provide adequate resources for Accountable Bodies (and this is a time consuming role, requiring in many cases additional staff resources);
- uncertainty over the eligibility of particular activities, with conflicting advice from different Government Departments (leaving the Accountable Body in the difficult position of having to arbitrate or assume a risk with regard to any liberal interpretation of the rules); and
- a lack of guidance on the degree of risk or innovation that should be allowed for particular types of activities.

Local authorities remain the best-placed organisations to take on the Accountable Body role. They have set procedures in place, are familiar with

reporting to external bodies through their involvement in SRB and other funds, and have access to support services, such as legal advice, where necessary, and are in a position to cashflow a proportion of expenditure.

Although it is possible to set up new organisations to act as Accountable Bodies, this should only be supported where there are additional benefits to be gained. There is a danger that UPGs divert energy and resources into administrative matters, with limited added value.

There are additional costs involved for any organisation taking on the Accountable Body role for URBAN Programmes. Although the argument has been put forward that local authorities should be prepared to take on this role, with no financial contribution to costs, this is inherently unfair.

The approach of URBAN involves the Accountable Body in a role that is more than administrative. The most effective Groups have used Accountable Bodies to test ideas, discuss eligibility issues and seek solutions to particular problems. This has inevitably been time consuming. It is the case, however, that efficient and effective Accountable Body arrangements make a substantial contribution to a successful UPG and Action Plan.

As local authorities have limited resources, it would seem appropriate to allow truly additional costs to be eligible for support through technical assistance. The LEADER Programme has allowed for up to 5% of resources to be available for the implementation of locally based Groups, and such a sum would allow for a broad range of support to be provided, of which additional Accountable Body costs should be an eligible component.

Another important consideration is the need to ensure that Accountable Bodies are kept informed on developments, which affect their responsibilities in relation to financial accountability and monitoring. Although some Government Offices are relatively good at keeping Accountable Bodies up to date, and at giving advance warning of new developments, there is a lack of consistency. In many cases, the information provided by DETR and DTI is as relevant to Accountable Bodies as it is to Government Offices.

Recommendation 10: that all additional costs involved in providing the Accountable Body function should be eligible for technical assistance. (please refer to chapter 5.3.1 'Legal Structure' for more detail)

Recommendation 11: that Accountable Bodies be given full access to DTI and DETR guidance. (please see chapter 4.4.1 Consistency and Reliability of Information)

Recommendation 12: that forward funding should be considered more widely by Accountable Bodies in order to overcome cash-flow problems of smaller applicant organisations; (for more detail, please see chapter 5.3.3 'Partnership between Accountable Body and UPG')

Recommendation 13: that Service Level Agreements ought to be established between UPG and Accountable Body. (please refer to chapter 5.3.1 'Legal Structure' for additional information)

7.2.5 Developing and Implementing Action Plans

Action Plans are a key element of the URBAN approach. Locally developed “strategies” presented in straightforward language, with clear objectives and targets, have been developed for all of the URBAN Programmes. Although there have been variable standards in relation to the content and clarity of Action Plans, the overall approach is sound, and should be continued. There are now sufficient examples of good practice, and experience of the process involved, to provide much clearer guidance to new Groups.

Recommendation 14: Action Plans should continue to be the preferred delivery mechanism for URBAN initiatives. (please see chapter 3.3.1 ‘The Action Planning Process – Action Plans viewed today’ for more detail)

Recommendation 15: The guidance in relation to Action Plans should be updated to include the practical experience of the URBAN groups, examples of good practice, and guidance regarding the involvement of all relevant sectors in the Action Planning process. (please refer to chapter 5.4 ‘The Role of Different Sectors’, and chapter 4.6 ‘Reaching Target Groups’)

Recommendation 16: The development of Action Plans should be accompanied by 100% funded capacity-building activities of UPG members and involved groups and/or individuals. (for more detail, please see chapter 3.2.3 ‘Capacity Building during Action Plan Development’)

Recommendation 17: The implementation of Action Plans should be facilitated by a dedicated, well qualified staff team. (chapter 4.4.4 ‘The Need for Dedicated, Permanent Staff’ provides the background for this recommendation)

7.2.6 The Role of The URBAN Network Group

The URBAN Network Group has played an important role in the development of the programme. It has provided a valuable forum for community groups, and successfully disseminated information. Although a number of UPGs make limited use of the network, the overwhelming balance of views was that the Network performed a valuable function, although this was partly enhanced by the absence of a national Programme Committee.

The Network placed a major role in clarifying issues of concern to UPGs, and in identifying areas where conflicting interpretation was an issue. Consideration should now be given to how the Network adapts its role, now that many problems have been resolved. Support for the Network is important, and its continuation would greatly assist newly designated Groups either under Objective 1, 2 or a new Community Initiative.

The Network is only partially representative of those involved in URBAN, and while it provides a dedicated forum for community groups, and co-ordinates

feedback to the Commission and DETR, it does not fulfil the role of a national Programme Committee.

URBAN in the UK benefited from the considerable time and effort that all of the parties involved were prepared to invest in attempting to overcome many of the difficulties that affected the early period. This included both the European Commission and the national Government Departments. Our view is that while these efforts were commendable, the Initiative was disadvantaged by the lack of a formal National Committee, at which many of these issues could have been debated and resolved, or action agreed. Due to the absence of such a formal forum, many Government Offices and Groups were forced to “soldier on” (sometimes in ignorance), while others were obliged to develop piecemeal (and sometimes inappropriate) solutions.

Although the nature of URBAN may suggest that a national Programme Committee is unnecessary, on balance the introduction of such a Committee would strengthen the Initiative. Representation drawn from the Commission, National Departments, Government Offices, UPGs and Accountable Bodies would be appropriate. This would involve a relatively small Committee with 12 – 15 members, drawn from around the country.

Recommendation 18 : the URBAN Network should be eligible for technical assistance in future programmes. (please see chapter 5.7 ‘The UK URBAN Network’ for more detail)

Recommendation 19: that Action Plans must incorporate Networking as an activity and budget line. (please refer to chapter 3.3.1 ‘Review of Action Plans – Strength and Weaknesses of Action Plans’, and chapter 5.7 ‘The UK URBAN Network’)

Recommendation 20 : the URBAN Network should open its membership to UPGs funded through Objective 1 and Objective 2 funded Groups.

Recommendation 21: That in future Programmes a national Programme Monitoring Committee is established on which the Network should have observer status. (please see chapter 5.6 ‘The URBAN Management Committee’)

7.2.7 Mainstreaming the URBAN Experience

Most of the current Objective 2 Programmes have a Community Economic Development Priority focussing resources on the most disadvantaged communities. CED Priorities typically target between 30% and 35% of the Objective 2 population. In the larger regions, this has resulted in a CED population coverage well in excess of half a million people, in contrast to the typical URBAN population coverage of circa 40,000.

The Evaluation study has highlighted the unique features of URBAN, and although a number of regions have used Action Plans to implement CED, there remains a marked difference in the degree of community participation. There is a danger that the URBAN type initiatives could be marginalised in Objective 1

and 2 Programmes, unless steps are taken to ensure that the key features are regarded as a priority.

Recommendation 22: that UPGs make Objective 1 and 2 partnerships aware of the key features of URBAN with a view to ensuring that the model is prioritised within Community Economic Development priorities in the new Programmes.

Recommendation 23: that Objective 1 and 2 partnerships consider the use of an URBAN Measure within CED Priorities or the provision of an URBAN scope point in Measure descriptions and/or the ring fencing of funds within a broader Measure.

Recommendation 24: That in addition to providing continuation support to existing URBAN Groups, Objective 1 and 2 partnerships should consider the establishment of new URBAN Groups.

7.2.8 Co-financing

The UK system of providing match funding on a project by project basis, from a wide variety of sources has a number of strengths, but in an URBAN context, these are outweighed by the disadvantages. The benefit of the approach are that it allows local organisations the opportunity to secure match funding and develop projects appropriate to local circumstances. The disadvantage is that for community groups, considerable time has to be invested in securing match funding, and the restrictions placed by the providers of funding mean that in many cases community and voluntary groups end up as mere delivery agents, rather than the initiators of projects.

While there is an immediate appeal about the provision of 100% match funding at the outset of the Action Plan, the result would be to reduce the scope of community groups to secure match funding from new sources, or using help in kind to develop new projects.

At the same time, if match funding is to be secured in advance there has to be an acceptance by the providers of support, that the URBAN philosophy has to be respected, and a degree of flexibility required as to how the monies may be spent at the project level (but in line with the objectives of the Action Plan); otherwise URBAN merely becomes an extension on other initiatives, for example SRB.

A major problem in the current Programme has been the requirement to use standard ERDF and ESF forms. As a consequence, part of the capacity building has involved teaching people the language and procedures related to Structural Funds. While this is relevant to a small group of people, the majority of project sponsors should be able to access funds in a straightforward manner, and concentrate on their core activities i.e. the implementation of effective projects for the benefit of the community.

Recommendation 25: that between 60% and 70% of future URBAN (and URBAN type) Action Plans should be co-financed in advance i.e. when the Action Plan is agreed. (chapter 6.3 'Match Funding and Community Capacity')

and chapter 6.4 'Alternatives to Match Funding' provide the background to this recommendation)

Recommendation 26 : that the financial structure of Action Plans should incorporate start-up 100% funding for capacity-building measures and small-scale grant schemes. (please refer to chapter 4.5.2 'Difficulties in Raising Match Funding' for more detail)

Recommendation 27 : the co-financing of Action Plans in advance, or centrally, should be used to introduce simplified application procedures for project sponsors. (please see chapter 5.2.4 'Project Selection and Programme Monitoring')

7.2.9 Indicators and Targets

The indicators developed for URBAN Action Plans were heavily influenced by the Objective 2 SPD Community Economic Development indicators. These indicators were primarily activity driven, with an emphasis at the results stage on people into employment and qualifications achieved. While these are appropriate indicators for some activity, they do not reflect the key results of capacity building and the nature of parts of the client group, where support in the short term is unlikely to lead to employment.

There is a need to develop qualitative indicators, and indicators that take account of the longer term nature of some of the activities supported. While this presents problems in terms of the monitoring of Action Plans, these difficulties are not insurmountable, provided sufficient guidance is produced on the definition and suitability of a broader range of indicators.

Recommendation 28 : That a broader, and separate range of indicators are developed for the new URBAN Programme (and for any URBAN type initiatives funded through future Objective 1 and 2 Programmes), that take account of the range of projects that have been funded in the current Programme and which recognise that results and impacts may be indirect or longer term. (chapter 4.2.3 Perceived Benefits of Capacity Building Training, chapter 3.2.1 'Review of Events during the Design Phase of URBAN Action Planning', chapter 3.4 'Good Practice – Action Plans', and chapter 4.6 'Reaching Target Groups' provide the background for this recommendation)

7.2.10 Innovation and Risk

There was a widely expressed belief that the indicators and targets presented in the Action Plan resulted in a reluctance to fund innovative or higher risk projects. As a consequence, the opportunity to experiment was being lost. The point was made on many occasions, that failure should be allowed, and to a degree, some failure was inevitable. There is a need therefore to build in some flexibility into Action Plans that makes some allowance for innovative/pilot types activities.

Recommendation 29: that up to a maximum of 10% of funds (across all Measures) be made available for innovative/pilot projects, such as exploring

alternative avenues within the parameters of eligibility, but where there is a higher than average degree of risk as regards achievement of targets. (please refer to chapter 5.3.2 'Project Selection versus Financial Responsibility' for more detail)

7.2.11 Developing The New URBAN Programme

There are a number of steps that require to be taken in order to implement a new Programme, and avoid many of the frustrations that emerged in the current Programme. The key steps are:

- The establishment of a Programme Monitoring Committee;
- A comprehensive technical assistance strategy;
- Revised guidance on Action Planning, with detailed information on what is and what is not eligible in the URBAN context, circulated at an early stage;
- Capacity building undertaken from the outset (and this should be a mandatory requirement, with the scale and source of support identified in the bid document);
- Significant co-finance agreed at the outset;
- Speedy approvals of Action Plans;
- A commitment to simplified application procedures; and
- The production of a comprehensive and authoritative Structural Fund guide.

7.2.12 Final Remarks

There are a number of points to be made to conclude this Interim Evaluation, and these relate to the extent to which URBAN in the UK fulfilled the original aspirations behind the Initiative, and the extent to which it has been worth the (not inconsiderable) effort involved.

In terms of the extent to which URBAN has succeeded in developing a community based and led approach to local regeneration, where the results are sustainable improvements to the lives and living conditions in for local people, we would conclude that while it is too early to say if this will be achieved, the early work suggests that considerable progress has been made in the initial period, although many problems were encountered.

We would also conclude that the vast majority of those involved have operated within the ethos of the URBAN approach, although institutional and regulatory pressures have at times made this difficult.

There is insufficient evidence available to conclude that the spending under URBAN will result in more effective projects in terms of their success in creating jobs or securing employment for beneficiaries. It is possible, however, to say that the projects supported are more closely in line with what community groups believe are most needed for their areas, although this falls short of 100% endorsement.

URBAN has already reach individuals and groups that have been outside of the system for some time, and have inspired a considerable number of people to become actively involved in regeneration for the first time. This is a real and valuable achievement.

These achievements have in part been undermined by the limited efficiency of the processes. The implementation period has been affected by the delays as the beginning of the process, the failure in some areas to devote sufficient time to capacity building, and considerable differences in the willingness of other organisations to encourage full community participation. These difficulties have been compounded by concerns with regard to financial accountability and audit requirements. Concerns regarding financial accountability and audit requirements are likely to increase in the 2000-2006 period, and reconciling the need to ensure appropriate checks on expenditure, with the desire for simplified systems and procedures remains the single greatest challenge to the URBAN model.

It is not possible to conclude that the URBAN process was more efficient than other processes. If anything the processes resulted in delays to actual spend on projects. This conclusion does not invalidate the approach, as in many ways the painful lessons have been learnt, and future Groups should face less problems. To this extent the initial UK Programme can be regarded as a pilot exercise of a test period, where inevitably unforeseen problems occur.

On balance, the costs involved in URBAN and in administering the UPGs are modest in relation to the additional benefits of the approach i.e. greater community involvement, and a high profile, powerful local brand. The key difference has been the involvement of members of the community, and a greater likelihood that individuals involved will continue to be involved locally for some time.

It is less clear if URBAN has facilitated a more strategic view of local regeneration (at the first attempt), although it has helped people to look across a broader range of issues. It has however significantly increased capacity of individuals and groups to become more effectively involved in community regeneration, and our view would be that the more successful UPGs will play a major role in their communities for some time to come.

While we are not convinced that Action Plans have led to documents which are truly more strategic, this is in line with current Objective 2 and 5b documents i.e. people are attracted because there are "pots" of money available. We would regard these first generation Action Plans as more than adequate initial attempts (and some are very good), but would expect second generation Action Plans to be much more powerful documents.

This conclusion in no way takes away from the current Action Plans, it merely reflects the broader Structural Fund experience i.e. that having practical experience of drawing up and implementing a Plan should lead to a more effective successor Plan. While the first Action Plans were taken up enthusiastically by Groups eager to secure funding, it is likely that successor Plans will be able to take a more strategic view, using the Plan to direct resources, rather than to identify or prescribe projects. They will also be able to take account of the experience gained in developing/implementing the current action Plans

Although the decision to use sub-Committees of the Objective 2 Programmes to establish URBAN Management Group was intended to provide regional accountability and encourage synergy, the results were not successful. As URBAN status and monies were independent of the Objective 2 PMCs, the role of the UMG was not considered helpful. In terms of accountability, the Objective 2 PMC should only be concerned with individual URBAN Groups where they are responsible for the designation and financial allocations to the Group i.e. when and if Groups are mainstreamed.

There is a need to clearly define roles and responsibilities at the outset. There was considerable uncertainty as to which bodies ultimately took decisions and were responsible for activities, although this is not dissimilar to mainstream Programmes where sub-Committees and Committees with the mandate to make recommendations often believe that they have the power to make final decisions.

It would not be appropriate or reasonable at this stage to pass a final judgement on the efficiency and effectiveness of the URBAN approach after such a very short implementation period. Much has been learnt, and there is a base upon which to build. We would however finish this report with the following points:

- URBAN Groups should be assessed not only on what they achieved in the 1997-1999 period and subsequent spend, but also on the extent to which they develop successor plans, or follow up actions, using the capacities developed from the URBAN experience;
- While the URBAN model is not a panacea, the evidence suggests that it can be an effective mechanism for some communities notably relatively small communities with a strong sense of identity;
- There is sufficient evidence for the new Objective 2 Programmes to use the URBAN model as one (but not the only) delivery mechanism for Community Economic Development;
- The success of future URBAN Groups is crucially dependent on the removal of a number of constraints identified in this report, and resolving these issues before the new URBAN and Objective 2 Programmes commence is of the highest priority;
- The ability of the current Groups to develop successor Plans should be regarded as a high priority, as part of the longer term assessment of the model, and this requires Objective 2 Plan Teams to anticipate

the use of the model and take appropriate steps to begin the planning arrangements in advance of the new SPD being approved; and

- The structures and approaches involved in URBAN – Action Plans, Accountable Bodies, UPGS –are important elements of the model, but may not be appropriate in every circumstance. We have resisted the temptation to recommend particular approaches that have worked in individual areas. The extent to which Groups are ready to take on more responsibilities varies considerably, and we would caution against a universal model that does not take account of local circumstances and capacity.