

**Swyddfa Cyllid Ewropeaidd Cymru  
Welsh European Funding Office**

**WEST WREXHAM  
URBAN II COMMUNITY INITIATIVE  
PROGRAMME  
2000-2006**

**FINAL IMPLEMENTATION REPORT**

**CC1 No: 2001 GB 16 0 PC 001**





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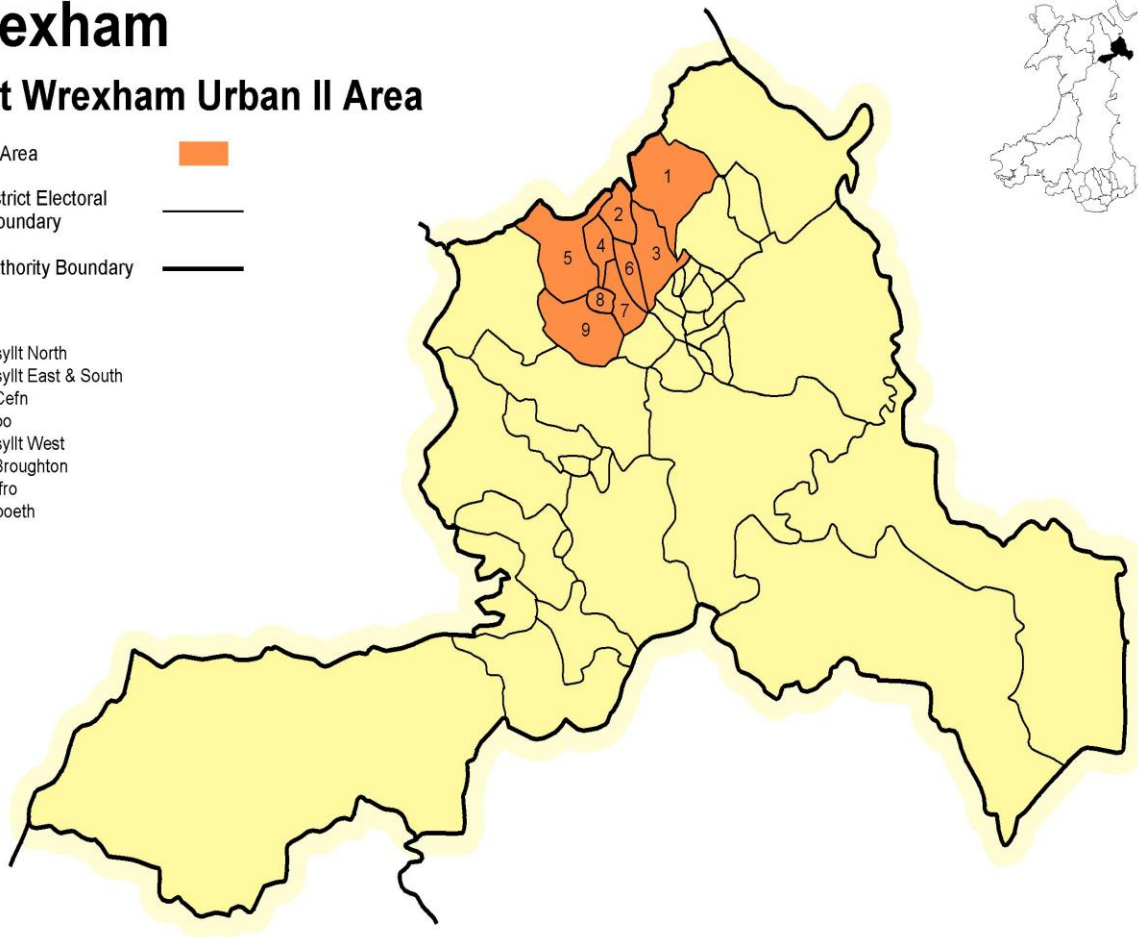


# Wrexham

## West Wrexham Urban II Area

- Urban II Area
- 1991 District Electoral Ward Boundary
- Local Authority Boundary

- 1 Llay
- 2 Gwersyllt North
- 3 Gwersyllt East & South
- 4 Bryn Cefn
- 5 Brymbo
- 6 Gwersyllt West
- 7 New Broughton
- 8 Gwenfro
- 9 Coedpoeth



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**Figure 1: Map of the West Wrexham URBAN II Community Initiative Programme area**



## **BASIC INFORMATION**

CCI Number: **2001GB160PC001**

Objective Number/Community Initiative: **URBAN II**

Member State/Region: **United Kingdom/Wales**

Title of the assistance: **West Wrexham URBAN II Community Initiative Programme**

Programming Years: **2000 to 2006**

Managing Authority: **Welsh European Funding Office**

Paying Authorities: **Welsh European Funding Office**

Monitoring Committee approval date: 25 March 2010

This report includes a section on the implementation of the Programme during 2008 and 2009 through to closure.



## INTRODUCTION

This is the Final Implementation Report (FIR) on the West Wrexham URBAN II Community Initiative Programme, hereafter referred to as the Programme, and covers the whole of the 2000 – 2006 programming period. The report is submitted to the European Commission in accordance with Article 37 of Council Regulation 1260/1999. In compiling the report WEFO has followed the requirements of the regulations and guidance provided by the European Commission.

For the period 2000 to 2006 the European Union (EU) has designated West Wrexham an URBAN II area. The area has received €10.8m (£7.7m) of European Regional Development Fund (ERDF) from the EU over the period of the Programme. This has been matched by funding from the UK public, private and voluntary sectors. The Programme sought to promote the sustainable urban development and the economic and social regeneration of cities and urban neighbourhoods.

The Managing Authority for the Programme is the Welsh Assembly Government. To facilitate effective management of all the Structural Funds Programmes in Wales, the Welsh European Funding Office (WEFO) was set up in 2000 and remains the designated Managing Authority and Paying Authority within the Welsh Assembly Government under its own Director.

WEFO's primary aim is to ensure that Wales derives maximum benefit from European funds. Its objectives are to enhance economic development and employment opportunities throughout Wales by promoting sustainable economic growth; increasing prosperity in all parts of Wales and tackling inequality, inactivity and the resulting social exclusion.

This report follows on from the previous six Annual Implementation Reports (AIRs) for the Programme. Copies of previous AIRs can be found on the WEFO Website at <http://www.wefo.wales.gov.uk>.



## **1. OPERATIONAL FRAMEWORK SECTION**

This Section gives details of the main changes in Socio Economic trends and in National, Regional, and Sectoral policies during the programming period.

### **1.1 MAIN SOCIO ECONOMIC TRENDS**

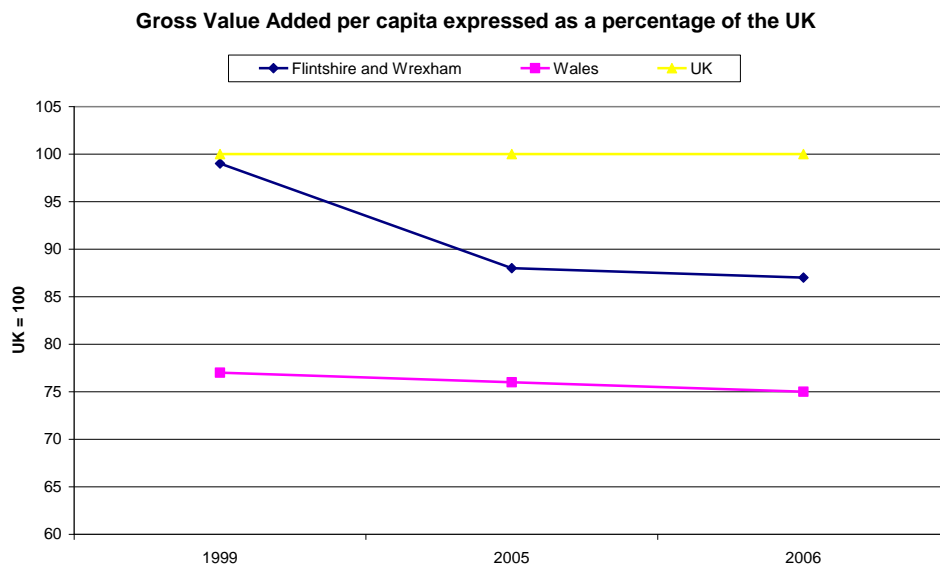
The tables in Annex 1 compare economic activity indicators in the Programme area, Wrexham, Wales, the UK and the EU25 and mirror the indicators used to measure the performance of the Programme. A direct causal link between the Programme indicators and the data in the tables, however, cannot be made. West Wrexham is defined as including the following wards in Wrexham: Brymbo, Bryn Cefn, Coedpoeth, Gwenfro, Gwersyllt East and South, Gwersyllt North, Gwersyllt West, Llay and New Broughton. "Wrexham" or "the Wrexham area" refers to the wider Wrexham County Borough area.

This sub section provides an analysis of changes during the programming period and beyond to 2008 where more recent data are available. It should be noted that overall, the Programme area showed positive signs of growth and development but that, in common with almost all other World and European economies, displayed in the 2008 data signs of contraction. Given the improvements seen during 2000 – 2006, the region's economy entered the recession in a stronger position than would have been the case before the Programme period.

#### **i) Gross Value Added**

Total output in terms of Gross Value Added (GVA) per head for the Programme area is not available. The latest data (2006) for Flintshire and Wrexham show that, output for the region is above the level for Wales as a whole, with GVA per head standing at 87 per cent of the UK average (the figure for Wales is 75 per cent). Between 1999 and 2006 GVA per head in Flintshire and Wrexham has fallen by around 12 percentage points relative to the UK.

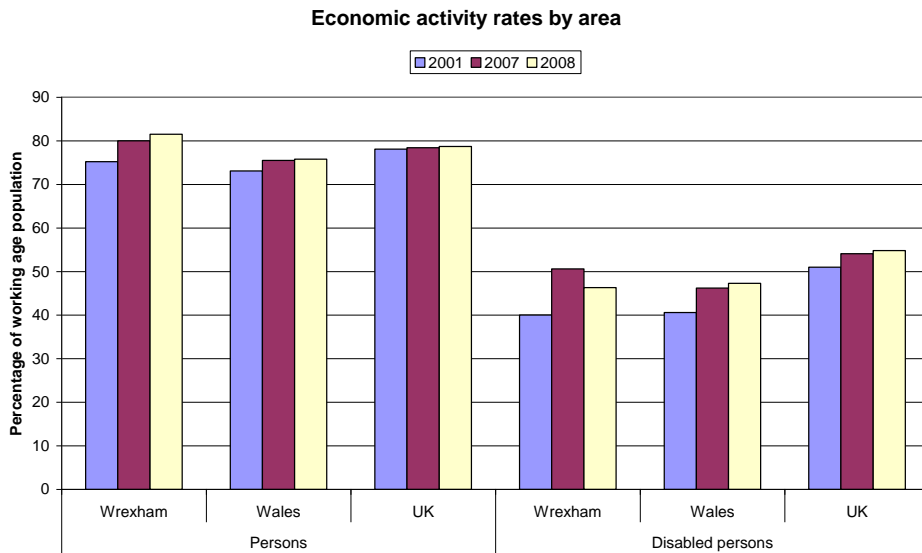
**Chart 1: Gross Value Added per capita expressed as a percentage of the UK;  
Source: ONS**



## ii) Economic activity

Economic activity rates in the Wrexham area rose by 1.5 percentage points between 2007 and the year to 30 September 2008. This was due to a rise (3.6 percentage points) in female economic activity which offset a fall (0.4 percentage points) in male economic activity. The overall economic activity rate for Wrexham remains above both the Welsh and UK average unlike the rankings in 2001 whereby it was below the UK average. Overall economic activity rates for disabled persons also fell from 50.6 per cent in 2007 to 46.3 per cent in the year to 30 September 2008, with a 10.4 percentage point fall in disabled male activity rates and which the rise of 1.9 percentage points in disabled female activity rates could not offset. The latest overall economic activity rate for disabled persons in the area lies one percentage point below the Welsh average and 8.4 percentage points below the UK average. Furthermore, the latest figures show an increase (of 6.4 percentage points) compared to the overall economic activity rate for disabled persons in 2001.

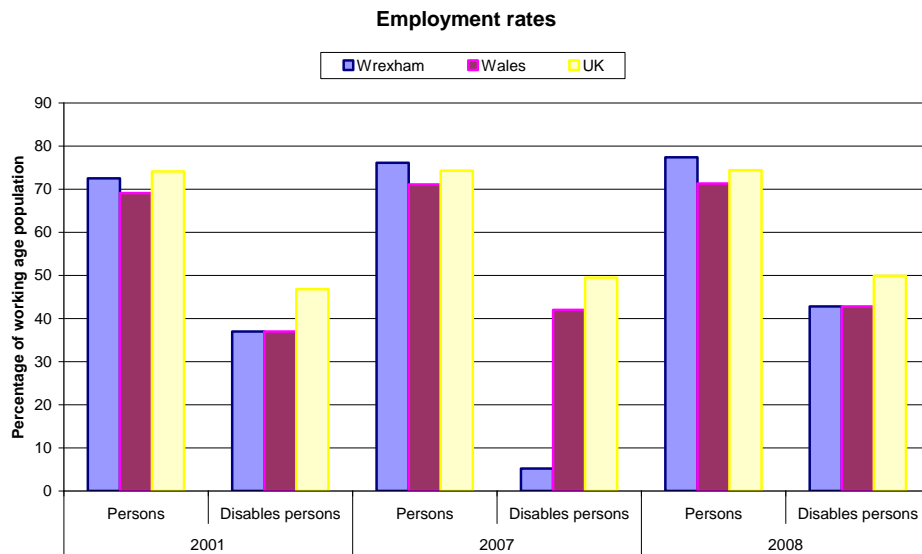
**Chart 2: Economic activity rates by area; Source: ONS, Annual Population Survey / Annual Local Labour Force Survey**



### iii) Employment

The overall employment rate in Wrexham rose 1.2 percentage points to 77.4 per cent between 2007 and the year to 30 September 2008, with a rise in both the male (an increase of 0.7 percentage points) and female (an increase of 1.8 percentage points) employment rates. In comparison to 2001, the overall employment rate for Wrexham has increased by 4.9 percentage points. Similar to 2007, it lies above the Wales and UK average. The employment rate for disabled persons in Wrexham decreased by 2.4 percentage points to 42.8 per cent between 2007 and the year to 30 September 2008; it is now similar to the average for Wales but below the UK average of 49.9 per cent. Over the same period, Wales and the UK experienced an increase in the employment rate for disabled persons of 0.7 and 0.5 percentage points respectively.

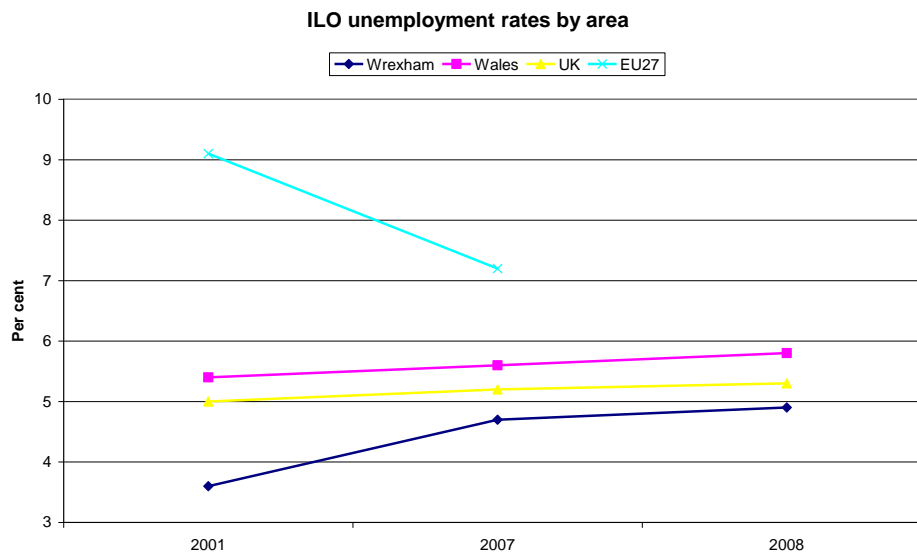
**Chart 3: Employment rates by area; Source: ONS, Annual Population Survey / Annual Local Labour Force Survey**



#### iv) Unemployment

ILO unemployment rates are not available for the Programme area. However, the rates for the wider Wrexham area illustrate a rise of 0.2 percentage points between 2007 and the year to 30 September 2008. A rise in the ILO female unemployment rate contributed to this overall increase offsetting a fall in the male unemployment rate. Equivalent data for the EU27 for 2008 is not available. However, for 2007 the rate was for both genders and as a whole was above the other three areas.

**Chart 4: ILO unemployment rate; Source: ONS, Annual Population Survey / Labour Force Survey and Eurostat**

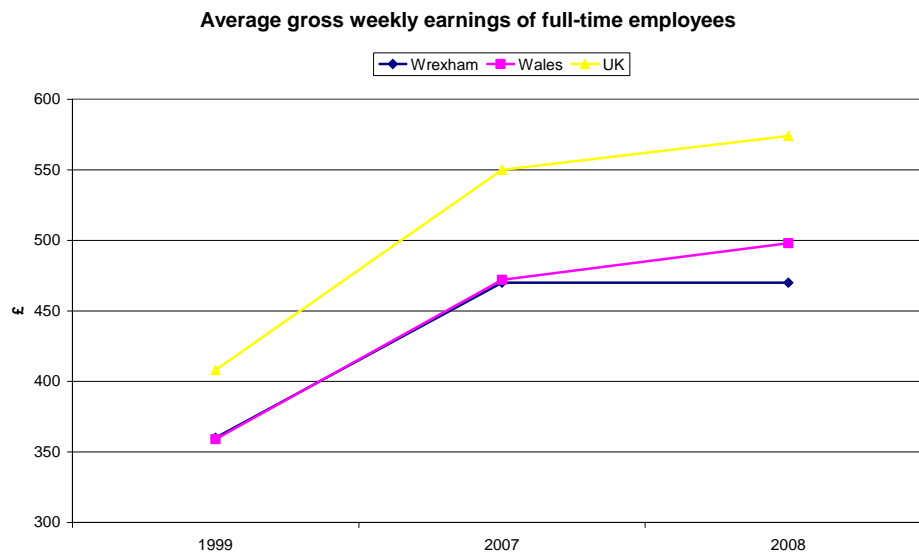


The overall claimant count rate (as a percentage of the working age population) for Wrexham increased between 2007 and 2008 by 0.3 percentage points, higher than the UK and Wales equivalent. In 2009 the rates across all areas and genders are lower than in 1999. Both the latest ILO and claimant count measures find that the unemployment rate for the wider Wrexham area continues to lie below the Wales and UK rates.

### **v) Average earnings**

Average earnings data are not available for the Programme area. Average earnings in Wrexham in 2008 were 94.3 per cent of the Welsh average and 81.8 per cent of the UK average. Compared to 1999, the relative gap in average earnings between Wrexham and Wales (and the UK) has grown. In 1999, average earnings in Wrexham were above the Welsh average and were 88.3 per cent of the UK average. Between 1999 and 2008, average earnings in Wrexham rose by 35.6 per cent compared to a rise across Wales and the UK of 41.4 per cent and 43.7 per cent respectively.

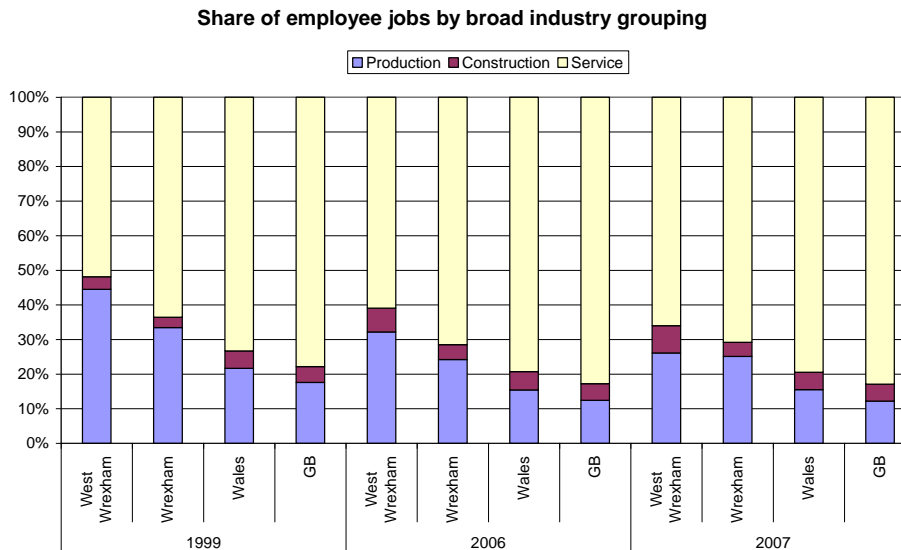
**Chart 5: Average gross weekly earnings of full-time employees; Source: ONS, Annual Survey of Hours & Earnings**



## vi) Business

The latest figures (2007) highlight the variation in industrial characteristics of the Programme area compared to Wales and even Wrexham as a whole. The breakdown of employee jobs shows that the Programme area has the highest share (26.1 per cent) of jobs in production industries in comparison to the wider Wrexham area (25.1 per cent), Wales (15.5 per cent) and the UK (12.2 per cent). These employee job statistics highlight the relative importance of the traditional production industries to the local economy of the Programme area. However, it has seen the greatest decrease in the share of employee jobs in production industries when the latest figures are compared to those for 1999. Compared to the other areas, the Programme area also has the greatest proportion of employment in construction industries. As a result of these higher shares, the area has the lowest proportion of employee jobs in service industries (66.0 per cent) compared to the other areas.

**Chart 6: Share of employee jobs by broad industry grouping; Source: ONS, Annual Business Inquiry**



The latest data (2007) from the ONS Annual Business Inquiry show that approximately 1,500 people are in employment in the manufacturing sector in approximately 100 manufacturing units in the Programme area. Between 1999 and 2007, both the number of manufacturing units (a decrease of 21.3 per cent) and manufacturing employment (a decrease of 48.7 per cent) decreased in the area. This trend was also experienced by the wider Wrexham area, Wales and GB. Manufacturing employment fell by a greater extent in the Programme area over the same period (down 48.7 per cent) compared to that experienced by the other areas (Wrexham: down 23.4 per cent, Wales: down 22.2 per cent, GB: down 28.0 per cent).

Care must be taken when interpreting the percentage changes as the numbers are from a low base. In 2007 all areas except for the Programme area had falls in the percentage of jobs in tourism-related industries, compared to 2006.

Between 1999 and 2008, Wrexham experienced a 15.5 per cent increase in the stock of VAT registered businesses, following the trend in Wales as a whole and the UK. Although the increase in the stock in Wrexham was greater than that for Wales as a whole, it was less than the UK increase.

### **vii) Implications from changes in socio economic conditions**

There have been changes in the socio economic conditions throughout most of the programming period, outlined above. The fluctuations in the Sterling/Euro exchange rate resulting from the financial crisis towards the end of the programming period made the achievement of end of Programme expenditure targets extremely difficult. Furthermore the changes in the labour market conditions may mask some of the outcomes of the Programme.

## 1.2 CHANGES IN NATIONAL, REGIONAL AND SECTORAL POLICIES

This section focuses on policy developments at a Community, Wales level and during the whole programming period which were relevant to the implementation of the Programme.

### i) Community policies

The following sub section outlines the main policy developments at Community-level during the programming period.

#### **Lisbon Strategy**

The Lisbon Strategy, agreed by the European Council in March 2000, set out an action plan for the European Union. Its aim was to make the EU "the most dynamic and competitive knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion, and respect for the environment by 2010". To achieve this goal the Strategy was aimed at:

- preparing for the transition to a knowledge-based economy and society by better policies for the information society and R&D, as well as by stepping up the process of structural reform for competitiveness and innovation and by completing the internal market;
- modernising the European social model, investing in people and combating social exclusion;
- sustaining the healthy economic outlook and favourable growth prospects by applying an appropriate macro-economic policy mix

#### Integrated Guidelines for Growth and Jobs 2005 - 2008

As part of a strategy to re-launch and re-focus the Lisbon Strategy<sup>1</sup> for boosting growth and employment, the European Council agreed in April 2005 on Integrated Guidelines for Growth and Jobs covering the period 2005 to 2008. The Integrated Guidelines recommended concrete priority actions and laid out a comprehensive strategy of macroeconomic, microeconomic and employment policies to redress deficiencies in growth and job creation. The guidelines relevant to the Programme were the microeconomic guidelines 9, 15 and 16. Further details on the integrated guidelines can be accessed on the European Commission's website at [http://ec.europa.eu/growthandjobs/index\\_en.htm](http://ec.europa.eu/growthandjobs/index_en.htm).

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<sup>1</sup> Lisbon Strategy : <http://europa.eu.int/growthandjobs/>

## UK National Reform Programme

On the basis of the Integrated Guidelines, Member States draw up National Reform Programmes (NRP). The first UK NRP was published in 2005 and detailed the challenges facing the UK economy and set out the UK Government's three year strategy for delivering long term sustainable growth, high employment and a fair and inclusive society.

The 2006 Spring European Council confirmed that the 2005-2008 Integrated Guidelines remained valid and identified four priority areas (R&D and innovation, business environment, employment opportunities and an integrated energy policy) within which it agreed a limited number of specific actions which it urged Member States to complete before the end of 2007.

In October 2006 the UK NRP update reported on implementation of these and other principal reforms over the previous 12 months. In their assessments, the Commission and the Council deemed the UK to be making good progress. The Spring European Council of March 2007 endorsed a set of country-specific recommendations prepared by the Council of Ministers.

In the 2008 NRP, the UK Government briefly set out progress made against key elements of the UK's programme of structural reform. The NRP sets out progress against EU-level priorities in the four priority areas listed above and other commitments made at the 2008 Spring European Council. The NRP reports on policies developed and implemented by central government and the Devolved Administrations, including Wales. A separate reporting table gives further details of the main measures taken to meet UK reform objectives, and is complementary to the report.

## **Gothenburg Strategy**

The Gothenburg strategy, the EU's sustainable development strategy was launched in June 2001. It included a new approach to policy-making to ensure that the EU's economic, social and environmental policies mutually reinforced each other. The central instrument developed for this purpose was the obligation for the Commission to submit each new major policy proposal to an Impact Assessment.

## **ii) Wales policies**

The following sub section outlines the major policy developments at Wales-level during the programming period. In Wales a number of strategic policies were launched throughout the programming period, including one of the most recent, “One Wales”.

Following elections to the Welsh Assembly Government in May 2007 a coalition government between Labour and Plaid Cymru was agreed with the “One Wales” document outlining a programme for government for the third Welsh Assembly Government. This is supported by the One Wales Delivery Plan which was last updated in December 2008.

### **One Wales**

The One Wales agenda covers seven key themes: A Healthy Future; A Prosperous Society; A Rich and Diverse Culture; Living Communities; Learning for Life; A Sustainable Environment; and A Fair and Just Society. The objectives contained within One Wales fit well with the objectives of the Structural Funds in Wales.

The Programme has made a significant contribution to fulfilling the objectives of One Wales particularly in the context of economic development goals, supporting key integrated regeneration priorities, environmental sustainability, and the links between education and entrepreneurship.

### **Wales Spatial Plan – “People, Places, Futures”**

The Wales Spatial Plan is a 20 year plan for the sustainable development of Wales and sets a vision for how each part of Wales should develop economically, socially and environmentally. It provides a clear framework to influence the development of national policies and investments, informed by the visions of each Spatial Plan Area, and guides the way the Assembly Government spends its funds.

The Welsh Assembly Government adopted the first ever Wales Spatial plan on 17 November 2004. The plan was the result of a process started back in 2000, which led to publication of a consultation document in September 2003.

From January 2008 a lead Minister was appointed for each of the five Spatial Plan areas with responsibility for promoting collaboration within spatial plan areas; providing a direct link to Cabinet in relation to spatial issues, and ensuring momentum and political buy-in to the spatial plan process. A consultation on the “Wales Spatial Plan Update 2008: People Places Futures” took place during 2008.

## **Sustainable Development**

Welsh Ministers have a duty, under section 79 of the Government of Wales Act 2006, to produce a sustainable development scheme setting out how they propose to promote sustainable development. Wales is only one of a few Governments in the world to have such a duty. The Welsh Assembly Government is committed to ensuring that social, economic and environmental issues are taken into account in everything that it does.

### Sustainable Development Action Plan 2004-2007

The Welsh Assembly Government's Sustainable Development Action Plan 2004-2007, which was published in November 2004, sets out the need for action across the three pillars of economic, social and environmental development.

The plan recognises that sustainability runs much wider than considering current effects on local areas. It means ensuring that our actions support rather than undermine our future. Examples such as climate change, which is affected by farming, business, energy generation and transport, are seen as increasingly important issues for Wales. Further information can be found at [www.wales.gov.uk/themessustainabledev/content/action-plan-e.pdf](http://www.wales.gov.uk/themessustainabledev/content/action-plan-e.pdf)

## **Earlier Wales policies**

During the earlier part of the programming period there were a number of strategic policy initiatives launched including: A Winning Wales, Wales: A Better Country and Wales: A Vibrant Economy. Details of these policies are given below.

### A Winning Wales

At the end of 2001 the Welsh Assembly Government approved the 10-year economic development strategy 'A Winning Wales – The National Economic Development Strategy of the Welsh Assembly Government'. The main headline targets were to raise GDP from 80 per cent to 90 per cent of United Kingdom average and to increase employment by 135,000.

### Wales: A Better Country

In 2003 the most important change was the publication of the Assembly Government's overarching strategy "Wales: A Better Country". The key objectives of the Strategy were to:

- promote a diverse, competitive, high-added value economy, with high quality skills and education, that minimises demands on the environment;

- take action on social justice that tackles poverty and poor health, and provides people and their communities with the means to help themselves and break out of the poverty trap;
- take action in our built and natural environment that enhances pride in the community, supports bio-diversity, promotes local employment and helps to minimise waste generation, energy and transport demands;
- strengthen Wales' cultural identity and help create a bilingual country;
- ensure all our children and future generations enjoy better prospects in life, and are not landed with a legacy of problems bequeathed by us;
- support people to live healthy and independent lives; and
- promote openness, partnership and participation.

### Wales: A Vibrant Economy

Wales: A Vibrant Economy, which was launched in 2006, sets the Welsh national economic framework for the European Structural Funds programmes 2007–2013. Its vision is of a vibrant economy capable of delivering strong and sustainable growth by providing opportunities for all. The aims of Wales: A Vibrant Economy, taking forward the Lisbon Agenda are: increasing employment by supporting job creation and stimulating growth across Wales; investing in the regeneration of deprived communities and stimulating economic growth across Wales; and helping businesses to grow and increase value-added per job, output and earnings by:

- Investing in transport, ICT networks and other economic infrastructure;
- Attracting more high value-added functions to Wales and supporting businesses and sectors with strong growth potential;
- Improving the skills base and delivering more demand-led training tailored to the needs of businesses;
- Helping businesses to become more competitive by supporting the drivers to business growth: entrepreneurship, innovation, investment and trade; and
- Ensuring that all economic programmes and policies support sustainable development, in particular by encouraging clean energy generation and resource efficiency.

## **Other Wales policies**

### Environment Strategy

The Environment Strategy, launched in 2006, provides the framework within which to achieve the Welsh Assembly Government's vision for the environment of Wales for the next 20 years. It has five main themes:

- Addressing climate change;
- Sustainable resource use;
- Distinctive biodiversity, landscapes and seascapes;
- The local environment; and
- Environmental hazards.

### Wales Innovation Action Plan

The drive towards establishing a strong culture of innovation in Wales is described in the 'Wales Innovation Action Plan', which was launched in March 2003. Building on this Plan and forming one of the key themes going forward from 2005 onwards is the establishment of the 'Knowledge Bank for Business' (KB4B). KB4B aims to provide tailored solutions to individual businesses to help them grow more rapidly, provide a substantial economic impact and ensure greater value for money.

### Information and Communication Technology

Considerable progress has been made in recent years in developing a supportive Information and Communications Technology (ICT) infrastructure and development environment via a range of Welsh Assembly Government measures. Progress has been slower in the more rural areas of Wales due to difficulties experienced in exploiting ICT potential.

### Transforming Public Services in Wales – Making the Connections

In 2004 the Welsh Assembly Government initiated a major programme of reform, Making the Connections: Delivering Better Services for Wales, to bring about improved public services for everyone. It commissioned an independent review of the delivery infrastructure for public services in Wales, which was published in July 2006 as "Beyond Boundaries: citizen centred local services for Wales", also known as the Beecham Review. The Welsh Assembly Government published its response to this in "Delivering Beyond Boundaries: Transforming Public Services in Wales", in November 2006. It identified five key areas for action: Putting Citizens First; Working Together to Deliver; World-class workforce; Better Value; and Driving the Change.

One of the five top areas for action in responding to the Beecham Review was the establishment of Local Service Boards (LSBs) and the creation of Local Service Delivery Agreements. All areas across Wales are working on moving from the existing community strategy/local strategic partnership model to a Local Service Board approach and the timeline is to have a Local Delivery Agreement in place in every Board in Wales by 2010.

### **iii) Implications from policy developments**

Whilst there have been policy developments throughout the programming period, outlined above, these have generally supported the Programme and there has been no adverse implications for the consistency between the funds, between the funds and other financial instruments, and on programme implementation.

### **iv) Contribution of the Programme to the objectives of National, Regional and Sectoral policies**

There was a clear separation in the focus of the two main priorities of the Programme. The first Priority was focused on encouraging enterprise and self employment, and on developing the competitiveness of local businesses. In this respect the Programme contributed towards the job creation goals of the Lisbon Strategy, A Winning Wales and Wales, A Vibrant Economy.

The aims of Priority 2 focused more on increasing participation in the labour market and in the community in general. It supported the establishment of community groups, enhancing community facilities and providing training and confidence building for those out of the labour market. It therefore contributed towards the social inclusion objectives of the Lisbon Strategy, and the social pillar of the Sustainable Development Action Plan in Wales. By promoting living communities it also contributed towards one of the key aims of the One Wales agreement.

## **2. IMPLEMENTATION OF PRIORITIES AND MEASURES SECTION**

This Section gives details of achievements in the implementation of the Programme's Priorities and Measures during the programming period, including quantification of the achievements of the Priority- level indicators (Outputs, Results and Impact, where appropriate). An analysis is not provided at Measure-level because from January 2005 the Measures under Priorities 1 and 2 were merged into single Priority measures.

### **Programme Overview**

The Programme made a substantial contribution to the urban development and social regeneration of the Programme area, delivering benefit to the people of West Wrexham throughout the programming period. The Programme was delivered through three Priorities:

- Priority 1: Entrepreneurship and Business Development;
- Priority 2: Participation; and
- Priority 3: Technical Assistance

Further details of the purpose and implementation of each of the above Priorities is given below, including details of each Priority's Measures.

By the end of the programming period the Programme had attracted a high level of interest from project sponsors in the Programme area. A total of 31 projects were approved under the Programme, worth €23.3m in total investment, including €10.6m of EU Grant. In all 97% of the Programme's EU Grant allocation was utilised. A list of the approved projects is given at Annex 6.

Fluctuations in the euro/sterling exchange rate as the euro strengthened meant that the final commitment figures for the Programme were reduced and the final position based on final spend resulted in a total of €10.1m of EU Grant having been utilised in the Programme, 93% of the EU Grant allocation.

A comparison of the Programme's financial performance with indicator achievements shows that 97% of the total allocation for the Programme (93% of the EU Grant allocation) was spent, whilst 90% of the Programme's indicator targets were met by the end of the programming period.

### **Programme Indicators**

In terms of the Programme's indicators, a total of 20 indicator targets were set for the programming period. With the exception of two indicator targets, all were met in full. The extent by which most of these indicators achieved their targets was substantial. Just over 200 new and existing community businesses received financial support from the Programme and just under 200 community groups

were assisted by the end of the programming period. Over 9,500 square metres of workspace was created or improved by the Programme. Just over 1,000 beneficiaries completed their courses or training and almost 600 beneficiaries gained qualifications by the end of the programming period. Over 300 gross jobs were created by projects funded under the Programme.

## **2.1 PRIORITY 1: ENTREPRENEURSHIP AND BUSINESS DEVELOPMENT: ACHIEVEMENTS**

### **Priority 1 Overview**

Priority 1 sought to encourage community enterprise and self employment in the Programme area and to improve the competitiveness and efficiency of both new and existing businesses through advice, information and financial support, through maximising the earnings potential of both local employees and employers, and through the provision of workspace and site reclamation.

During the early part of the programming period Priority 1 was divided into two Measures: Measure 1: Encouraging enterprise and self employment; and Measure 2: Development of competitive and sustainable businesses. In January 2005 the Measures were merged to create a single Priority measure.

As the Programme was approved by the European Commission in December 2001 the year 2002 was primarily concerned with considering project applications and project development, with the first project approval in January 2003 which was a business grants project. Four project applications were considered by WEFO under Priority 1 in 2002; two in each Measure. By end 2003 three projects had been approved under Priority 1 of the Programme, of which two were under Measure 1 and one was under Measure 2. Total investment under the Priority stood at €1.64m including €0.74m of EU Grant committed.

There were no projects approved under Priority 1 in 2004. By end 2005 a further four projects had been approved, including two further business grant projects and towards the end of 2005 the Brymbo Community Enterprise Centre. This brought total investment under the Priority to €6.71m including €3.20m of EU Grant committed.

By end 2006 the final Priority 1 project had been approved which was the Coedpoeth Enterprise Centre approved in December 2006. There were no projects approved under Priority 1 in 2007 or 2008. In total, eight projects were approved under Priority 1. Total investment stood at €7.14m including €3.30m of EU Grant committed. By the end of the programming period a total of €3.18m of EU Grant had been spent, 99% of the EU Grant allocation under Priority 1.

During the programming period the types of projects approved under this Priority were largely small business grants or small business premises that were integrated into community centres. Approximately the same amount of EU Grant has been spent on business grants as has been spent on enterprise centres. The first enterprise centre project to be approved was the Brynteg Lifelong Learning Centre and Llay Park Resource Centre, approved in April 2003. The project's aim was to integrate community and business facilities, with a focus on young people. The centre set a model that was developed throughout the Programme, culminating in the community resource and enterprise centres at Brymbo and Coedpoeth.

A comparison of the Priority's financial performance with indicator achievements shows that 91% of the total allocation for the Programme (99% of the EU Grant allocation) was spent, whilst all except one of the indicator targets under Priority 1 were met by the end of the programming period.

### **Project example: Business Support Grants**

These projects were devised to meet the requirements of the West Wrexham Action Plan for Priority 1 Measure 1 and Measure 2. The new business grants projects were developed following a successful pilot scheme which offered similar packages of financial support and which highlighted the need for such support. The aim was to develop sustainable and competitive businesses – both those recently created and those which have matured. The projects focused on providing innovative business support to SMEs located within the strategy area.

The support was tailored to address the needs of local businesses in order to:

- secure re-investment in existing businesses;
- promote and encourage private sector investment;
- deliver support to safeguard jobs; and
- aid expansion

The Programme has provided financial packages of assistance for:

- marketing new products and services or the re-launch of old ones. Support for the design and printing costs of literature, direct advertising costs and website design and implementation. Assistance has also been given to existing SMEs wishing to use IT as a means of marketing or exporting their service to a wider range of clients;
- introducing a knowledge-based communications element into the local economy and which have increased IT usage, i.e. both hardware and software, within existing companies;
- building renovation – to refurbish premises for businesses in West Wrexham; and

- capital equipment support has been awarded to companies to encourage investment in plant and machinery which will lead to growth, more efficiency and competitiveness

The projects have considered businesses that have taken a positive step towards environmental sustainability and also direct links with community resource centres, IT training and childcare. The new business grants projects were developed following the successful pilot scheme which offered similar packages of financial support and which highlighted the need for such support. The projects offered a good, tangible service to West Wrexham's business community.

**Project Financial summary (four projects):**

Total Expenditure: €3,072,638

Eligible Grant Paid: €1,505,049

**Indicator achievements:**

Invested in new and existing SMEs: £522,615

Businesses benefiting from staff receiving training: 10

Gross jobs safeguarded: 184

Gross new direct jobs: 316

New and existing businesses receiving financial support: 203

New businesses created: 51

SMEs gaining support with internet access: 84

Square metres of new or improved workspace: 8,178

### **Project example: Coedpoeth Enterprise Centre**

This project involved building small business units as part of a centre for the community. The office space was linked to training, information and guidance to provide an environment in which local people can start their own businesses. It has enabled local people to access work opportunities within walking distance of their homes and the proximity of community facilities in the building will help to encourage links between the community and business. Both Coedpoeth Community Development Committee and Wrexham County Borough Council have considered this project a catalyst for the development of a range of social enterprise, community and commercial business activities in the area.

#### **Project Financial summary:**

Total Expenditure: €414,784

Eligible Grant Paid: €135,720

#### **Indicator achievements:**

Gross jobs safeguarded: 2.5

Businesses benefiting from staff receiving training: 3

SMEs gaining support with internet access: 2

Square metres of new or improved workspace: 225

Thirteen per cent of the floorspace of the Centre was funded under Priority 1 for business usage. Eighty seven per cent of the floorspace was funded under Priority 2 for community usage. Further details about the part of the Centre funded under Priority 2 are given in section 2.2.

### **Project example: Brymbo Community Enterprise Centre (CELIRC)**

Based on the coke oven site of the disused steel works in Brymbo, this project has built business units within walking distance of the Brymbo community. Led by a community group, the project has placed office space within the same building as a variety of community facilities. Fifty two per cent of the floorspace of the Centre has been funded under Priority 1 for business usage.

#### **Project Financial summary:**

Total Expenditure: €2,589,139

Eligible Grant Paid: €1,220,185

#### **Indicator achievements:**

Gross new direct jobs: 19

New businesses created: 4

New and existing businesses receiving financial support: 1

£000 invested in new and existing SMEs :77.1

SMEs gaining support with internet access :7

Square metres of new or improved workspace: 1,027

Forty eight per cent of the floorspace has been funded under Priority 2 for community usage. Further details about the part of the Centre funded under Priority 2 are given in section 2.2.

## **Achievements against Indicator targets**

### Outputs and Results

The end of Programme indicator data shows that all indicator targets, with the exception of one, were met in full. In terms of the output activities: 205 new and existing community businesses received financial support, 59 new businesses were created and 9,680 square metres of workspace was created or existing workspace improved by projects funded under the Programme.

The target for the 'number of businesses where management and workforce have received additional training, advice and assistance' has not been met. The main reason for this is that before 2004 projects did not report against this indicator target and two important projects (the Phase 1 of Business Support Grant projects) which may have contributed towards this indicator were funded at an early stage of the programming period. Both of these projects ended in 2004 before they could contribute towards this indicator. Following a recommendation of the Mid Term Evaluation Update (MTEU) concerning the retrospective collection of data for certain indicators WEFO wrote to projects which had potentially achieved against this indicator. However, there was no increase to the achieved figure.

In terms of the indicator results: 344 gross jobs were created and a further 189 jobs were safeguarded by projects funded under the Programme. All indicator targets have been exceeded by a substantial amount.

**Table 1: Priority 1: Indicator achievements**

Indicator	PC Target	Forecast		Actual	
		Number	Share of Target	Number	Share of Target
<b>Outputs</b>					
No. of new businesses created	40	55	100+%	59	100+%
No. of new and existing community businesses receiving financial support	75	192	100+%	205	100+%
No. of businesses where management and workforce have received additional training, advice and assistance	40	17	43%	14	35%
No. of sq. metres of new or improved workspace	1000	2,777	100+%	9,680	100+%
<b>Results</b>					
No. of gross new direct jobs	140	190	100+%	344	100+%
No. of gross jobs safeguarded	55	95	100+%	189	100+%
Investment in new and existing businesses (£k)	1500	495,682	100+%	522,731	100+%
No. of SMEs gaining support with internet access	54	81	100+%	93	100+%

Source: WEFO, 31/01/2010

PC - Programme Complement

## Impact

As part of the Mid Term Evaluation Updates, WEFO undertook, in-house, impact estimates for the Programme in terms of jobs created for Priority 1 projects. The MTEU reported in December 2005. Further details about the MTEU are given in Section 4.5. Using the end of Programme achieved data for Priority 1 WEFO has updated the net estimates for jobs created. These results are slightly lower than those forecasted in the MTEU because WEFO relied on forecasting projects' final outcomes for the end of the Programme during 2005. As a result of the final project data becoming available the end of Programme net figures for jobs created falls between the range of 100 to 165.

## **2.2 PRIORITY 2: PARTICIPATION: ACHIEVEMENTS**

### **Priority 2 Overview**

Priority 2 sought to ensure that local people could access the jobs created in the Programme area or elsewhere within the sub-regional economy, and in developing active, vibrant communities where local people could play a central role in the economic, social and environmental regeneration of the communities in which they live. In particular, Priority 2 sought to maximise the potential of local people by improving their skills, training and education, raising the aspirations and achievements of local people, and overcoming barriers to accessing employment opportunities.

During the early part of the programming period Priority 2 was divided into two Measures: Measure 1: Overcoming barriers to participation; and Measure 2: Developing active communities. Like Priority 1, in January 2005 the Measures were merged to create a single Priority measure.

As the Programme was approved by the European Commission in December 2001 the year 2002 was primarily concerned with considering project applications, with the first project approved in December 2002 which was a revenue based project: the Broughton Strategy Team that aimed to implement a strategic action plan for the Broughton Community in West Wrexham. In addition, four project applications were considered by WEFO under Priority 2 in 2002; two in each Measure. By end 2003 five projects had been approved under Priority 1 of the Programme, of which two were under Measure 1 and three was under Measure 2. These projects included community resource centres and one small revenue project. Total investment under the Priority stood at €4.44m including €1.78m of EU Grant committed.

By end 2004 a further four projects were approved, including a continuation to the Broughton Strategy Team and the West Wrexham Key Fund which enabled small community organisations to contribute to the delivery of the programme, bringing the total to nine approved projects. In addition, one project application was being considered. Total investment under the Priority stood at €6.17m including €2.94m of EU Grant committed.

By end 2005 a further three projects were approved; the largest of these was the Brymbo Education, Community, Learning and Resource Centre worth around £0.8m of EU Grant. This brought the total number of projects approved to twelve. Total investment under the Priority stood at €9.54m including €4.61m of EU Grant committed.

By end 2006 the final two community resource centres to be funded under the Programme were approved: the Gwersyllt Community Resource Centre, which was approved in January 2006 and was under construction by the end of that

year, and the Coedpoeth Enterprise and Lifelong Learning Centre which was approved in December 2006. Total investment under the Priority stood at €15.75m including €6.95m of EU Grant committed to fourteen approved projects.

There were no projects approved under Priority 2 in 2007. In 2008 a small learning co-ordination project was approved to ensure that the resource centres that had been built were taking advantage of learning opportunities and avoiding unnecessary duplication. By end of the programming period total investment under the Priority stood at €14.40m including €6.45m of EU Grant committed to fifteen approved projects, a total of €6.23m of EU Grant had been spent, 91% of the EU Grant allocation under Priority 2.

During the programming period the majority of Priority 2 funding was invested in community resource centres for each community in the Programme area. The first of these centres were the Brynteg Lifelong Learning Centre and Llay Park Resource Centre, approved in April 2003. These were followed by similar centres in Gwersyllt, Brymbo and Coedpoeth. There were also some smaller capital investments, such as the Southsea and Brynteg Community House and the Alyn Waters Environmental Education Centre.

Priority 2 also financed a total of seven small revenue projects for community training and inclusion. These included the Broughton Strategy Team and the West Wrexham Learning Co-ordinator.

In order to give small community groups access to the Programme, the Association for Voluntary Organisations in Wrexham (AVOW) received funding for a small grant scheme.

A comparison of the Priority's financial performance with indicator achievements shows that just under 100% of the total allocation for the Programme (91% of the EU Grant allocation) was spent, whilst all except one of the indicator targets under Priority 2 were met by the end of the programming period.

### **Project example: Brymbo Community Learning and Information Resource Centre (CELIRC)**

Based on the coke oven site of the disused steel works in Brymbo, this Community Resource Centre provides a high quality range of multi use facilities and services to meet the needs of a wide sector of the Brymbo and Tanyfron communities such as; Childcare facilities, Cyber Café, Catering and Training facilities, Health Improvement & Wellbeing Suite and Multifunctional area. The Centre also acts as a venue to enable Service Providers to reach the residents of Brymbo, Tanyfron, and wider West Wrexham.

**Project Financial summary:**

Total Expenditure: €2,383,941

Eligible Grant Paid: €1,124,173

**Indicator achievements:**

Community groups assisted: 10

Environmental schemes supported: 1

New/refurbished community facilities: 1

New community based enterprises established :3

Forty eight per cent of the floorspace of the Centre has been funded under Priority 2 for community usage. Fifty two per cent of the floorspace has been funded under Priority 1 for business usage. Further details about the part of the Centre funded under Priority 1 are given at 2.1.

**Project example: Coedpoeth Lifelong Learning Centre**

The Centre was designed to accommodate and provide a wide range of community focussed facilities including: ICT Training Suite, Education/Information Resource Centre, Childcare/Playgroup facilities, Meeting space and a Refreshment Area. It is located in the heart of the Coedpoeth community, and includes a connecting footpath to a nearby school. Through the centre, community development officers have been able to reach out into the Coedpoeth community.

The Centre offers both ICT and non-ICT related training opportunities, both formal and informal, facilities for a variety of local Community groups and organisations, and a venue to enable service providers to access the residents of Coedpoeth.

The project was developed through consultation between the Coedpoeth Community Development Committee, key community organisations, with representation from residents and key stakeholders in the area, and the local authority. Both Coedpoeth Community Development Committee and Wrexham County Borough Council consider the project a catalyst for the development of a range of Social Enterprise, Community and Commercial Business activities in the area in addition to encouraging local residents to become engaged and participatory within their community.

**Project Financial summary:**

Total Expenditure: €2,554,164

Eligible Grant Paid: €892,899

**Indicator achievements:**

Beneficiaries completing their courses: 108

Beneficiaries gaining a qualification: 81  
Beneficiaries on training programmes: 27  
Community groups assisted: 4  
New/refurbished community facilities: 1  
Local residents accessing employment: 2  
New community based enterprises established: 1  
Women beneficiaries: 86

Eighty seven per cent of the floorspace of the Centre has been funded under Priority 2 for community usage. Thirteen per cent of the floorspace has been funded under Priority 1 for business usage. Further details about the part of the Centre funded under Priority 1 are given at 2.1.

### **Project example: Wrexham Homework Clubs**

This project sought to develop aspects of the Homework 'Extra' Clubs, such as work on confidence building, assertiveness, citizenship and participation to engage other members of the community. Training, initially focused on children, was expanded to build the capacities and skills of those wishing to work with children, thus developing their skills for employment and at the same time providing greater capacity to help their own and other children achieve their potential.

#### **Project Financial summary:**

Total Expenditure: €280,399  
Eligible Grant Paid: €140,199

#### **Indicator achievements:**

Beneficiaries completing their courses: 58  
Beneficiaries on training programmes: 61  
Beneficiaries with positive outcomes on learning: 51  
Women beneficiaries: 54

### **Project example: Groundwork Intermediate Labour and Training Project**

This project sought to establish training opportunities in horticulture and countryside skills for adults and youths aged over 14. The project provides a combination of work experience, training and classroom sessions working towards a nationally credited qualification e.g. GNVQ/ OCN. This project sought to overcome the barriers that prevent residents of West Wrexham participating in local labour markets. The scheme was open to West Wrexham residents aged 14+ and was promoted to the long term unemployed; it has encouraged lifelong learning. The participants have gained skills, through horticulture and outdoor

courses, which can be used in employment, these included practical site maintenance skills, IT and basic English and Maths.

**Project Financial summary:**

Total Expenditure: €303,058

Eligible Grant Paid: €149,702

**Indicator achievements:**

Beneficiaries completing their courses: 56

Beneficiaries gaining a qualification: 11

Beneficiaries on training programmes: 96

Community groups assisted: 6

Environmental schemes supported: 8

Beneficiaries finding employment: 2

Women beneficiaries: 48

**Project example: Gwersyllt Community Resource Centre**

This project sought to develop a Community Resource Facility for the benefit of the Gwersyllt community. The Centre provides a variety of high quality multi-use facilities such as an ICT training suite, Education/Information Resource Centre, Crèche/Playgroup facilities, Meeting Space, Youth Facilities, and Business Units/Office Space. The Resource Centre offers both ICT and non-ICT related training opportunities, facilities for a variety of local Community groups and organisations, and a venue to enable service providers to access the residents of Gwersyllt. All of the floorspace for the Centre has been funded under Priority 2 for community usage.

**Project Financial summary:**

Total Expenditure: €2,548,817

Eligible Grant Paid: €1,262,679

**Indicator achievements:**

Beneficiaries completing their courses: 219

Beneficiaries gaining a qualification: 104

Beneficiaries on training programmes: 219

Community groups assisted: 11

New/refurbished community facilities: 1

New community based enterprises established: 1

Women beneficiaries: 186

## **Achievements against Indicator targets**

### Outputs and Results

The end of Programme indicator data shows that all indicator targets, with the exception of two, were met in full. In terms of the indicator outputs: 1,435 participants and 973 female beneficiaries received training through projects funded under the Programme; 196 community groups were assisted and 19 community facilities were either created or refurbished.

In terms of the indicator results: 1,023 beneficiaries completed their courses or training activity and 591 gained a qualification. Sixteen new community based enterprises were established.

The targets for gross jobs created and beneficiaries finding employment have not been met. In the case of gross jobs created, the Mid Term Evaluation Update noted that a large proportion of the training funded under Priority 2 was not directly related to job creation. Whilst some projects addressed the needs of beneficiaries who had to build confidence before moving onto more job-focussed training, others sought to increase community participation and develop active communities. This argument is consistent with the Programme document and Programme Complement which state that Priority 2 activities are important in developing stepping stones to employment and re-integration for the excluded.

In the case of beneficiaries finding employment, the reason this indicator target has not been met is partly because of difficulty experienced tracking beneficiaries once they had finished their courses. Despite a variety of different methods employed by projects for capturing this information, projects have experienced disappointing response rates from the beneficiaries. In addition, underperformance of this indicator is also because much of the employment accessed by beneficiaries was either short-term employment or seasonal employment.

Finally, the two Priority 2 indicators: beneficiaries with positive outcomes on learning and local residents accessing employment ceased to be Priority 2 indicators following the Mid Term Evaluation and Mid Term Review.

**Table 2: Priority 2: Indicator achievements**

Indicator	PC Target	Forecast		Actual	
		Number	Share of Target	Number	Share of Target
<b>Outputs</b>					
No. of participants in training which is of direct benefit to the URBAN II Programme	600	976	100+%	1,435	100+%
No. of community groups assisted	100	156	100+%	196	100+%
No. of environmental schemes supported	15	18	100+%	42	100+%
No. of new/refurbished community facilities	10	15	100+%	19	100+%
No. of women beneficiaries	300	456	100+%	973	100+%
<b>Results</b>					
Gross jobs created	100	-	-	-	-
No. of beneficiaries completing their courses/training activities	378	498	100+%	1,023	100+%
No. of beneficiaries gaining a qualification	252	417	100+%	591	100+%
No. of new community based enterprises established	15	19	100+%	16	100+%
No. of beneficiaries finding employment	90	115	100+%	58	64%
No. of beneficiaries with positive outcomes on learning	-	240	-	291	-
No. of local residents accessing employment	-	32	-	53	-

Source: WEFO, 31/01/2010

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### Impact

As part of the Mid Term Evaluation Update, WEFO undertook, in-house, impact estimates for the Programme, in terms of Gross jobs created by Priority 1 projects. However, none was undertaken for Priority 2 indicators.

## **2.3 PRIORITY 3 IMPLEMENTATION: ACHIEVEMENTS**

Priority 3 of the Programme was Technical Assistance. Details of the use made of Technical Assistance are given at Section 4.3.

### **3. FINANCIAL IMPLEMENTATION SECTION**

This Section gives details of the financial implementation of the Programme's Priorities and Measures. A qualitative analysis is not given here; commentary concerning the financial performance of the Programme's Priorities and Measures is given in Section 2. Supporting financial information is given in the following Annexes:

- Annex 2: Commitments and Payments Tables
- Annex 3: Commission Financial Table 8
- Annex 4: Commission Financial Table 10
- Annex 5: Tables supporting Option B

#### **3.1 TOTAL CERTIFIED EXPENDITURE PAID OUT**

Details of the total certified expenditure actually paid out and to be paid out by the Paying Authority and the respective community contribution broken down by is given in the table below and at broken down by project at Annex 3. At the end of Annex 3 is a list of unfinished or non-operational projects at the time of closure, along with a list of projects suspended due to legal or administrative proceedings.

**Table 3: Total certified expenditure actually paid out and to be paid out by the Paying Authority**

€ Thousands

Priority/Measure	Source			Total Expenditure
	Community	National Public	Private	
1.1 Encouraging Enterprise and Self Employment	1,814.2	1,635.4	344.2	3,793.9
1.2 Development of Competitive and Sustainable Businesses	1,367.2	498.5	1,060.3	2,925.9
2.1 Overcoming Barriers to Participation	3,931.3	4,710.1	136.7	8,778.1
2.2 Developing Active Communities	2,301.9	2,645.1	13.2	4,960.2
3.1 Promoting Effective Programme Management, Monitoring, Implementation and Control	592.8	633.4	-	1,226.2
3.2 Raising Awareness, Study Support, Evaluation and IT (Other Expenditure)	134.7	158.7	-	293.4
<b>Total</b>	<b>10,142.1</b>	<b>10,281.2</b>	<b>1,554.4</b>	<b>21,977.7</b>

Source: WEFO, 15/02/2010

### 3.2 FINANCIAL PERFORMANCE AGAINST THE FINANCIAL PLAN

The financial performance against the last approved financial plan is given at Annex 2: Commitments and Payments Tables. The following table summarises the end of Programme position of commitment and spend against the financial allocations. Financial summary tables for each of the Programme's Priorities are given under section 3.2 i), ii) and iii).

**Table 4: Financial Summary by Priority**

€ Thousands

Priority	Total Project Cost			EU Grant		
	Allocation	Commitment	Total Expenditure	Allocation	Commitment	Eligible Grant Paid
<b>Total all Priorities</b>	<b>22,631.1</b>	<b>23,339.2</b>	<b>21,977.7</b>	<b>10,784.5</b>	<b>10,612.4</b>	<b>10,142.1</b>
<i>Of which:</i>						
Priority 1	7,421.0	7,141.9	6,719.8	3,219.5	3,302.9	3,181.4
Priority 2	13,743.7	14,398.0	13,738.3	6,831.8	6,449.1	6,233.2
Priority 3	1,466.4	1,799.2	1,519.6	733.2	860.5	727.5

Source: WEFO, 15/02/2010

The following table shows the final declaration of Programme expenditure to the Commission against the end Programme target and the total payments received from the Commission to closure. A final payment will be made by the Commission to WEFO following the conclusion of Programme closure.

**Table 5: Total payments received from the Commission**

Fund	Tranche	Date Requested	Date Received	Grant Payment Received		Exchange Rate
				£	EURO	
ERDF	2001 (Advance) (7%)	On Approval	21-Jun-02	477,439.35	743,675.00	0.6420
	2003 (1)	10-Apr-03	13-Jun-03	119,970.64	170,267.72	0.7046
	2003 (2)	23-Sep-03	30-Oct-03	480,950.93	701,196.87	0.6859
	2004 (3)	02-Aug-04	10-Dec-04	284,424.02	412,208.72	0.6900
	2004 (4)	09-Dec-04	22-Apr-05	1,071,533.30	1,574,626.45	0.6805
	2005 (5)	29-Sep-05	02-Dec-05	477,113.97	696,516.75	0.6850
	2005 (6)	15-Dec-05	20-Jan-06	666,659.16	971,098.56	0.6865
	2006 (7)	20-Dec-06	26-Jan-07	1,125,258.13	1,708,820.24	0.6585
	2007 (8)	27-Jul-07	07-Sep-07	862,875.09	1,276,442.44	0.6760
	2007 (9)	28-Nov-07	13-Feb-08	524,266.10	704,658.73	0.7440
	2008 (Payment not received in 08)	09-Oct-08	06-May-09	847,923.47	960,275.73	0.8830
	<b>Total</b>			<b>6,938,414.16</b>	<b>9,919,787.21</b>	
	<b>Grant Drawdown Target For End 2008</b>				<b>10,925,550.00</b>	

Source: WEFO, 15/02/2010

Throughout the programming period WEFO met its N+2 targets. WEFO adopted a number of positive measures to ensure that all N+2 targets were consistently

met. These include provision within the finance systems for processing quarterly claims, the provision for advance payments, flexibility to process payments more frequently where required and monthly management meetings to discuss programme performance.

## i) Priority 1: Entrepreneurship and Business Development

**Table 6: Priority 1 Financial Summary Table**

€ Thousands

Priority	Total Project Cost			EU Grant		
	Allocation	Commitment	Total Expenditure	Allocation	Commitment	Eligible Grant Paid
<b>Total all Measures</b>	<b>7,421.0</b>	<b>7,141.9</b>	<b>6,719.8</b>	<b>3,219.5</b>	<b>3,302.9</b>	<b>3,181.4</b>
<i>Of which:</i>						
Measure 1	3,700.1	4,200.0	3,793.9	1,848.3	1,930.2	1,814.2
Measure 2	3,720.9	2,942.0	2,925.9	1,371.2	1,372.6	1,367.2

Source: WEFO, 15/02/2010

As demonstrated in table 4 Priority 1 managed a 99% spend of the allocation. This is broken down in table 6 which shows Measure 1 managed a 98% spend and Measure achieved almost 100% spend.

## ii) Priority 2: Participation

**Table 7: Priority 2 Financial Summary Table**

€ Thousands

Priority	Total Project Cost			EU Grant		
	Allocation	Commitment	Total Expenditure	Allocation	Commitment	Eligible Grant Paid
<b>Total all Measures</b>	<b>13,743.7</b>	<b>14,398.0</b>	<b>13,738.3</b>	<b>6,831.8</b>	<b>6,449.1</b>	<b>6,233.2</b>
<i>Of which:</i>						
Measure 1	6,591.8	9,080.7	8,778.1	3,295.9	3,993.4	3,931.3
Measure 2	7,151.9	5,317.3	4,960.2	3,535.9	2,455.6	2,301.9

Source: WEFO, 15/02/2010

Table 4 demonstrates that Priority 2 spend was at 92% of the allocation. Taking each Measure separately Measure 1 achieved a 119% spend, whilst Measure 2 achieved a 65% spend.

### iii) Priority 3: Technical Assistance

Details of the end of Programme financial position for Priority 3: Technical Assistance is given at section 4.3.

### 3.3 FIELDS OF INTERVENTION

A table showing total expenditure broken down by field of intervention at Measure-level is given, below. The commitment figures are shown in Annex 2. During the programming period, the project sponsor was responsible for allocating the fields of intervention. For many projects more than one field of intervention may have applied to the project's activity. However, WEFO asked project appraisal staff to allocate the most important field of intervention to each project for analysis purposes.

**Table 8: Total expenditure broken down by Field of intervention**

€ Thousands				
Measure	Intervention Code	Intervention Description	Total Expenditure	Eligible Grant Paid
<b>Total</b>			<b>21,977.7</b>	<b>10,142.1</b>
<i>Of which:</i>				
1.1	161	Investment in physical capital (plant and equipment, cofinancing of state)	704.9	345.3
1.1	164	Shared business services (business estates, incubator units, stimulation)	3089.0	1468.9
1.2	161	Investment in physical capital (plant and equipment, cofinancing of state)	2367.7	1159.7
1.2	164	Shared business services (business estates, incubator units, stimulation)	414.8	135.7
1.2	166	Services in voluntary/third sector (providing care for dependants)	143.4	71.7
2.1	22	Social Inclusion	8778.1	3931.3
2.2	352	Rehabilitation of urban areas	4960.2	2301.9
3.1	411	Preperation, implementation, monitoring, publicity	1226.2	592.8
3.2	412	Evaluation	214.3	95.2
3.2	415	Information to the public	79.1	39.5

Source: WEFO, 15/02/2010

### **3.4 ADVANCE/INTEREST**

WEFO is part of the Welsh Assembly Government and Welsh Assembly Government runs the accounts as part of a U.K. accounting system. H.M. Treasury advise that the funds are held at the Government Banking Service account. The funds are not placed in commercial accounts because H.M. Treasury does not want to subject the funds to unnecessary credit risk. Interest is not paid on these funds.

## **4. ADMINISTRATION AND MANAGEMENT SECTION**

This Section gives details of the activities that were undertaken at strategic level, including the steps taken by the Managing Authority, Wrexham County Borough Council (WCBC) and the Programme Monitoring Committee (PMC)/ West Wrexham Partnership Board throughout the programming period, along with the activities of the Financial Control teams, and the use made of Technical Assistance. Also given in this Section is a synthesis of the main Programme evaluations undertaken and steps taken by the Managing Authority to publicise the Programme throughout the programming period.

### **4.1 MONITORING, FINANCIAL CONTROL AND EVALUATION MEASURES**

This sub section includes details of the activities of the PMC/ West Wrexham Partnership Board (WWPB), and the activities of the Financial Control teams (under Articles 4 and 10).

#### **i) Activities of the Programme Monitoring Committee**

##### **Programme Monitoring Committee/ West Wrexham Partnership Board**

During the programming period the West Wrexham Partnership Board performed the role of the PMC. It was responsible for approving the Programme strategy – the Community Initiative Programme document, the Programme Complement, which it approved in March 2002, and the West Wrexham Action Plan. The PMC/WWPB also shared responsibility with WEFO for monitoring activity to ensure that target indicators were met. Through its assessment panels it also played an important role in project assessment and approval. The PMC/WWPB is made up of members from each of the five Community committees and one from the West Wrexham Business Forum. Chaired by a member of the National Assembly for Wales, the PMC includes six members from the public sector, four from the voluntary sector, ten from the community partnerships, and two from the private sector.

The PMC/WWPB held its first formal meeting as the PMC on 29 October 2001, followed by a further six meetings during 2002.

In February 2002, the PMC/WWPB decided to set up an Assessment Panel as a sub group of the PMC/WWPB which would look at project proformas and make recommendations to WEFO on the 'fit' with the local action plans and the Programme documents.

As mentioned above, in March 2002 the PMC/WWPB approved the Programme Complement. At this meeting the PMC/WWPB also approved the WEFO project selection criteria and the West Wrexham Action Plan.

In May 2002 the PMC/WWPB approved a strategy for expenditure which identified possible capital projects in each community and looked for funding solutions to meet the needs identified. Although some of the details changed during the programme period, the strategy was successfully implemented, with at least one capital project completed in each community. The strategy identified that it might be necessary to vire funding into Priority 2. The draft timetable for the Mid Term Evaluation of the Programme was agreed by the PMC/WWPB and it noted that the focus of the evaluation would be on processes and not indicators because of the late start of the Programme.

In July 2002 the PMC/WWPB discussed the various mediums for publicising the Programme and noted that all mediums of publicity should be considered with a balance to be reached between all methods, including invitations for local press involvement. To ensure that the PMC/WWPB discharged its monitoring responsibilities, it agreed that progress reports from WEFO would be a regular agenda item. The PMC/WWPB was advised that two Technical Assistance bids had been received under Priority 3 of the Programme. The PMC was informed that the Mid Term Evaluation was in progress and tenders for the work would be received by August 2002. Two changes to the procedure and scoring of projects were proposed following the meeting of the Assessment Panel and these were agreed with the option to amend the arrangements in future if necessary. It was proposed that delegated power should be given to the Assessment Panel in such circumstances where referral to the PMC/WWPB would delay a project's commencement date. To avoid having to refer projects back to the PMC/WWPB resulting in delay the PMC/WWPB agreed to give delegated authority to the Assessment Panel to move projects forward to WEFO for final appraisal.

In October 2002 it was reiterated to members of the PMC/WWPB that the Assessment Panel had been given delegated authority to enable projects to move forward for final appraisal. The PMC/WWPB was informed of progress of the URBAN II website, booklet and Community Newsletter. The PMC/WWPB received a report from the Assessment Panel. The PMC/WWPB agreed to write to the Assessment Panel to clarify voting and deadline procedures. A review of the membership of the PMC/WWPB, as required by its terms of reference, was also underway towards the end of 2002. The report on current financial and indicator figures was discussed. The PMC/WWPB was informed that the Centre for Study of European Strategy (CSES) with its partners, Cardiff University, had been appointed contractors for the Mid Term Evaluation.

The PMC/WWPB met three times during 2003. In January 2003 the PMC agreed that it was necessary to set up a Key Fund project to give access to the Programme to local community organisations. The PMC/WWPB noted that the review of PMC/WWPB membership and the Assessment Panel membership was complete with all invitations to take seats accepted.

In June 2003, the PMC/WWPB approved the virement of funds between Measures under Priority 2. The virement was in line with the PMC/WWPB's strategy for expenditure in support of the development of 'a network of enterprise' and lifelong learning centres across the Programme area. The virement was also designed to give flexibility to best deliver the Programme objectives and indicators. The strategy identified that Priority 2 would be a major source of funding appropriate for these projects, thus reducing the monies available for other projects under this Priority. The basis of the strategy assumed high demand under Priority 2 Measure 1. No objections had been received against this proposal. The allocation of funding under Priority 2 became 60% for Measure 1 and 40% for Measure 2. A revised Programme Complement was submitted to the European Commission on 26 June 2003 and accepted on the 26 September 2003.

In October 2003 the PMC/WWPB noted that the 2002 Annual Implementation Report had been accepted by the European Commission in September 2003, the N+2 target for 2003 had been met, and the Mid Term Evaluation of the Programme was being finalized.

The PMC/WWPB met four times in 2004. In January 2004 the PMC/WWPB noted that all invitations to take seats on the Partnership Board and Assessment Panel had been accepted. In March 2004 the PMC/WWPB approved the usage of retrospection in order to meet the N+2 target. The PMC also approved changes to the Community Initiative Programme document which included the merging of Measures within Priorities. In June 2004 the PMC/WWPB was informed that the West Wrexham area had been chosen to host the Networking Event that year. It noted that the final draft Annual Implementation Report for 2003 had been circulated to members for comments and was approved by the PMC/WWPB. In September 2004 the PMC/WWPB was informed of the current progress made by the Programme: 12 projects had been approved by WEFO and the N+2 target for 2004 had been met. The PMC/WWPB was also informed that WEFO was carrying out an exercise to assess project delivery, in terms of indicator achievements. In December 2004 the European Commission agreed to the merging of measures under Priorities 1, 2 and 3 to better meet the needs and demand of each Priority. This came into effect on 01 January 2005. Removal of individual measures enabled easier access to Programme funding by removing restrictions that made it difficult for projects to meet criteria.

The PMC/WWPB met three times in 2005. In January 2005 the PMC/WWPB was informed that the changes made to the Community Initiative Programme had been agreed by the European Commission. WEFO revised the Programme Complement to fit with the new Community Initiative Programme and presented the new Programme Complement to the PMC/WWPB. The PMC/WWPB also agreed the Terms of Reference for the Mid Term Evaluation Update (MTEU) of the Programme. Further details about the MTEU are given in Section 4.5. In April 2005, despite efforts to maximise the business focus of the community centres,

the PMC/WWPB found that it would be necessary to vire funding from Priority 1 into Priority 2. The PMC/WWPB agreed in principle that funding should be vired into Priority 2 and in July 2005 it agreed, through a written procedure, to the virement of £1,191,047 from Priority 1 to Priority 2 and £80,000 from Priority 3 to Priority 2 to fund the demand and commitment to projects under Priority 2. The virement was approved by the European Commission. In September 2005 the PMC/WWPB was informed that the meeting the N+2 target was in some doubt. However, by end 2005 the target had been achieved. The PMC/WWPB was informed that the Coepdoeth Centre was the only remaining application to be submitted to complete the capital strategy and potential match funding had been identified. The PMC/WWPB was given an opportunity to comment on the MTEU draft Final Report which was circulated to members in November 2005 through written procedure.

The PMC/WWPB met four times in 2006. Standing items on the PMC's agenda in 2006 included updates on the progress of the West Wrexham Capital Strategy projects such as the Gwersyllt, Brymbo and Coedpoeth Centres, summaries of finance and indicator progress (including N+2) and discussion of Programme exit strategy issues.

In January 2006 the PMC was informed that the E.C. had approved the request for changes to the Community Initiative Programme. In March 2006 the PMC/WWPB was informed of the Project Selection Panel's recommendation for WEFO appraisal of the Coedpoeth Enterprise and Lifelong Learning Centre and Technical Assistance 2007 – 2008 projects. In June 2006 the PMC/WWPB approved the Annual Implementation Report for 2005 and received a progress update of finances and indicators. In November 2006 the PMC/WWPB was informed of the current progress of the Capital Strategy and the N+2 target for 2006 has been met.

In December 2006 the PMC/WWPB agreed, through written procedure, the following virements between Measures to enable the programme to cover its commitments in each measure and maximise N+2 drawdown:

- €941,987 ERDF and €945,518 Public Match Funding in Priority 1, from Measure 2 to Measure 1;
- €2,420,111 ERDF and €2,425,961 Public Match Funding in Priority 2, from Measure 1 to Measure 2; and
- €59,374 ERDF and €59,374 Public Match Funding in Priority 3, from Measure 2 to Measure 1

The PMC/WWPB met once in 2007. The meeting included updates on finance, indicators and general project progress. There was an update on the 2007-13 Structural Fund Programmes in Wales and an address from the European Commission Officer.

Further papers were sent by written procedure, approving the 2006 AIR and approving changes to the Coedpoeth Enterprise and Lifelong Learning Centre.

The PMC/WWPB did not meet in 2008. However, decisions were made by the PMC/WWPB by consultation through written procedure. On 26 June 2008 the PMC agreed the 2007 AIR through written procedure, including the Annual Implementation Report for 2007.

### **Programme Secretariat: Wrexham County Borough Council**

During the programming period the Wrexham County Borough Council (WCBC) URBAN II Team provided the secretariat for the Programme. The team supported the PMC/WWPB, assisted WEFO by monitoring programme performance, helped sponsors by developing projects, provided initial assessments of the eligibility of projects for the PMC/WWPB, and organised the PMC/WWPB assessment boards.

In November 2004 WCBC hosted the UK URBAN II Networking meeting. The meeting provided an informal forum for discussions between Programme Managers and Government Officers involved with the Programme across the UK.

In May 2005 support was gained from the Broughton Partnership Board by utilising the Broughton Strategy Co-ordinator part time (80%) as the Community Development Manager (West Wrexham) to manage the community development aspect of the Programme. The Programme Manager retained overall responsibility for the Programme, supported by the Finance and Administration Officer.

In April 2006 the team was split to take account of changing needs and to address longer term projects, with the Community Development Team focusing on community development within the whole of Wrexham County Borough (including succession strategy issues), and the URBAN II Technical Assistance Team focuses on Programme management, technical issues, project delivery and monitoring. Community Transport, learning and a formalised West Wrexham Community Group are being facilitated by the former.

Wrexham County Borough Council's Technical Assistance staff reduced to one person for 2007: a Finance and Monitoring Officer. Although not funded by the Programme, the WCBC Community Development Team and other staff of WCBC contributed to the Programme; for example, through line management of the Technical Assistance staff and through programme exit strategy activity such as Community Transport, Learning and the Succession Group.

## **WEFO Teams**

Throughout the programming period there was a locally based WEFO team managing the Programme in Colwyn Bay. The Programme was also managed and serviced by other WEFO teams elsewhere in Wales, including the Payments team, Finance and Accounts teams, Research, Monitoring and Evaluation team and Cross Cutting Themes team.

### **ii) Management checks performed by/on behalf of the Managing Authority**

The Article 4 team, latterly called the Project Inspection and Verification Team, was established during 2004 and fully operational by May 2004. The team is part of the WEFO Finance division with the team head reporting directly to the WEFO Finance Director.

The team completed “on the spot” reviews of Operations receiving Funding to ensure that all applicable EC Regulations have been complied with and to ensure that expenditure included in the claim is actual and eligible.

The Article 4 target was originally set as 600 verification visits by 31 December 2008. However, following an audit undertaken by the European Commission, ERDF systems audit, this target was changed to 50% of all ERDF projects approved after 1 January 2006. Eleven visits were undertaken on the Programme. 67% of all projects approved under the Programme after 1 January 2006 have been visited. This figure includes two visits completed in 2008.

The objective of the Article 4 Team was to visit every sponsor of ongoing projects. Despite the change of targets as a result of the above mentioned audit, the Article 4 team still endeavoured to meet this objective. Fifty per cent of the sponsors with projects funded under the Programme have been visited, with 100% of the sponsors with projects funded under the Programme approved after 1 January 2006 being visited.

As a result of these visits, the following themes were identified:

- Missing or incomplete audit trail from grant claims back to supporting documentation;
- Further evidence and clarification was needed to show that the Sponsor had correctly applied the Public Procurement Directives;
- Systems were not in place to monitor performance on the project;
- Document Retention Policies required to be implemented or amended;
- Insufficient evidence of the agreed targets/outputs being kept in accordance with the profile; and
- The process for apportioning costs between project and non project activity is inadequate.

In all instances above either:

- Additional supporting documentary evidence was provided by the Operation to satisfy the issue or;
- WEFO has produced guidance to address the specific topics.

Adjustments were made for the costs on one project – total expenditure of £24,442.39, EC share (grant) £12,043.25. Irregularities were reported according to WEFO procedures.

### **iii) Activities of the Article 10 team**

In the early part of the 2000 -2006 Programme period, the then National Assembly for Wales delegated a range of functions regarding the implementation of European Structural Funds programmes and Community Initiatives to WEFO, which at that time was an executive agency within the Assembly Government. Within its then structure, Article 10 sat within WEFO's Corporate Planning and Services Division.

During 2003, Article 10 reporting responsibilities were changed to reporting directly to the Chief Executive for operational purposes while still reporting to the Head of Corporate Planning and Services Division for its running costs and requirements. In July 2003, WEFO became part of Economic Development and Transport Department within the Assembly Government, thus losing the status of executive agency.

Whilst within the WEFO structure, the Article 10 team operated independently of the Programme's Managing, Paying and Certifying Authorities. The team had no responsibilities in respect of project appraisal, approval or payment. It operated freely and without any conflicting influence on its programme of work; that is, its procedures, visit programme, the conduct and coverage of visits, by whom, methods of reporting and follow-up decisions, including the raising of irregularities identified as a result of any Article 10 visit. This separation of duties provided assurance that potential conflicts of interest were avoided and that the results of Article 10 reviews were objective.

From the 1st January 2008, in order to provide full transparency to its independence from WEFO, the team was restructured into the Welsh Assembly Government's Corporate Governance and Assurance Division which incorporated Audit Authority responsibilities for Structural Funds matters in Wales. This change was made to cover all Financial Control examinations required for all existing and future Article 10 work in regards to the 2000-2006 Structural Funds programmes in Wales, including the Programme. The team was renamed the European Structural Funds Audit Team (ESFAT).

In the very early part of the programming period, the Article 10 team consisted of administrators with knowledge and experience of delivering the Financial Control requirements of Article 10. At that time none of the team was professionally qualified but they made use of relevant expertise in parallel units in other UK government departments and took steer from Internal Audit Service's advice and reviews and recommendations from EC audits.

From 2004, its staff included a full time professionally qualified accountant to provide advice on Article 10 operational matters and professionally qualified accountants/ auditors were contracted to help in delivering the programme of visits to required standards. At the same time the team employed more permanent staff who were sponsored to achieve professional qualifications.

From 2005, all Article 10 visit work had been conducted by or under the direct supervision of qualified professional accountants/ auditors. Since May 2006 all Heads of the Article 10 team have been professionally qualified in accountancy and auditing functions to ensure the work conducted was of the necessary standard to meet Article 10 of 438/2001 requirements.

### **Control Activity and Results**

Over the whole programming period, 8 audits visits were undertaken and 19% of expenditure was audited. As a result of these audits, 17 irregularities were identified, including a systemic error. Of the eight visits, six were for projects managed directly by Wrexham County Borough Council (three selected because of perceived risk factors and three by random selection).

A systemic issue was identified during the audit of the projects operated by Wrexham County Borough Council. Wrexham County Borough Council applied a 'multiplier-effect' uplift to some categories of 'professional fees' in order to account for associated overhead costs. This is not an eligible methodology for claiming overheads as it is calculated on a notional basis and not supported by actual costs.

Wrexham County Borough Council managed 21 projects funded under the Programme. Article 10 visits were undertaken on six of those projects, one of which had not claimed any professional fees at the time of the visit.

The Article 10 team worked with Wrexham County Borough Council to quantify the impact of this systemic error in the five projects visited by removing the professional fees 'multiplier' notional element from the claims. A review of projects not already visited was performed and this identified one further irregularity caused by the systemic problem.

The irregularities equate to an overall error rate of 7.64%, but the majority of these errors relate to the systemic issue. The Paying Authority has confirmed that the Wrexham expenditure relating to the systemic issue on the Programme has been corrected. The representative underlying error, excluding these distortive isolated errors, is 1.09%.

All irregularities identified by Article 10 auditors are reported to WEFO for regulatory reporting requirements and for payment recovery decisions. The information also enables WEFO to perform analysis of all irregularities.

#### **iv) Data Collection arrangements**

Management reports for the Programme were produced on a regular basis and on demand from a central source. Information on the Programme was derived from a database application called the European Fund Management system (EFMS).

In 2001 the EFMS database was amended to implement Integrated NT Security. Several new functions were added, including a two-tier, two-person authorisation to the project approval process. The organisation of user options was changed to enforce the separation of duties within WEFO, as required by Commission Regulation 438/2001, ensuring that appropriate access and permissions were restricted to the appropriate staff.

Work began in July 2000 to enhance the EFMS database to implement a payment interface and this, along with several other new functions was completed in 2002. Processing of grant claim and monitoring forms began in October 2002. By February 2003, grant claim and monitoring forms had been processed for the majority of approved projects.

In 2004 a project to migrate the EFMS database to MS SQL 2000 was undertaken to resolve known performance issues and ensure that the system was on a secure and stable platform. The upgrade to EFMS went live in early January 2005.

Work continued throughout the remainder of the programming period to revise, enhance and augment these systems.

## **4.2 SUMMARY OF ANY SIGNIFICANT PROBLEMS ENCOUNTERED**

This sub section provides details of any significant problems encountered in implementing the Programme throughout the programming period, including any identified as a result of Annual Review Meetings between the Managing Authority and the Commission. Also given in this sub section are details of irregularities reported under the Programme. During the programming period no adverse problems were encountered in implementing the Programme.

### **i) Annual Reviews**

The Commission undertook Annual Reviews between 2003 and 2008, covering the calendar years from 2002 through to 2007. Most Annual Reviews of the Programme took place alongside the Annual Reviews of the West Wales and the Valleys Objective 1 Programme and the East Wales Objective 2/2T Programme at meetings between DG REGIO and WEFO, whilst the Annual Review of the Programme for the 2006 calendar year was undertaken through written procedure.

As part of the reviews the Commission received progress reports on achieving the N+2 spend targets which were achieved during each year of implementation, along with updates about Programme performance. At each Annual Review WEFO informed the Commission of the latest position concerning socio economic trends and Welsh policy developments, where relevant to the Programme.

### **ii) Irregularities**

The following sub section gives details of the Irregularities detected during the programming period,

The system for recording and reporting Irregularities has evolved over the lifetime of the Programme.

Irregularities have been processed and recorded on a central database and register which has driven the reporting process through to the European Commission (OLAF) via our UK Co-ordinator the Department for Business, Enterprise and Regulatory Reform (BERR).

The following table reflects the Irregularities situation over the lifetime of the Programme.

**Table 9: Irregularities reported in Programme area**

<b>Type of verification</b>	<b>Number of irregularities reported<sup>1</sup></b>	<b>Total value of irregularities reported (in €)<sup>2</sup></b>	<b>Amount recovered (in €)</b>
Article 10	17	365,843	290,783
Article 4	-	-	-
Other	2	821,350	821,350
<b>Total</b>	<b>19</b>	<b>1,187,193</b>	<b>1,112,133</b>

Source: WEFO

Note:

<sup>1</sup> Data does not include those irregularities identified and cancelled prior to reporting to BERR

<sup>2</sup> This includes those later cancelled. The amount recovered therefore only relates to those finalised as irregularities and recovered.

\*Some irregularities were not reported until after they were recovered. These cases were identified as part of an exercise completed for programme closure

In total, 22 irregularities were identified for the Programme, relating to two applicant organisations. Twenty of the irregularities identified resulted from Article 10 inspections and two were reported by the WEFO Payments team.

Two of the irregularities identified were cancelled following further documentation being received from the applicant organisation. In both cases, the costs were substantiated. An irregularity relating to one project was identified and later cancelled to be replaced by an irregularity to cover all project expenditure. This replacement irregularity was reported and resolved by withdrawal from the Statements to the Commission. One irregularity was cancelled due to being reported in error.

Of the five cancelled irregularities, two were reported to BERR and follow up reports completed to cancel the irregularities. The three other cases were not reported as the irregularities were cancelled prior to the original reports being sent to BERR.

### **4.3 USE MADE OF TECHNICAL ASSISTANCE**

This sub section gives details of the use made of Technical Assistance during the programming period. Technical Assistance was utilised under Priority 3 of the Programme. The table, below, summarises the end of Programme financial position for the Programme's Technical Assistance Priority.

**Table 10a: Priority 3: Technical Assistance: Financial Summary Table**

€ Thousands

Priority	Total Project Cost			EU Grant		
	Allocation	Commitment	Total Expenditure	Allocation	Commitment	Eligible Grant Paid
<b>Total all Measures</b>	<b>1,466.4</b>	<b>1,799.2</b>	<b>1,519.6</b>	<b>733.2</b>	<b>860.5</b>	<b>727.5</b>
<i>Of which:</i>						
Measure 1	1,184.3	1,285.5	1,226.2	592.2	620.5	592.8
Measure 2	282.1	513.7	293.4	141.0	240.0	134.7

Source: WEFO, 15/02/2010

**Table 10b: Priority 3: Technical Assistance: Financial Summary: main cost elements**

€ Thousands

Measure	Main Cost Elements	Total Expenditure	Eligible Grant Paid
<b>Total</b>		<b>1,519.6</b>	<b>727.5</b>
<i>Of which:</i>			
3.1	Preparation, implementation, monitoring, publicity	1,226.2	592.8
3.2	Evaluation	214.3	95.2
3.2	Information to the public	79.1	39.5

Source: WEFO, 15/02/2010

Priority 3 of the Programme was dedicated to Technical Assistance. There were two Measures within the Priority at the beginning of the Programme. The first Measure aimed to support effective management of the Programme through helping to develop projects, providing secretariat support to programme committees and monitor Programme information. Measure 2 concentrated on raising awareness about the Programme and undertaking studies or evaluations. Some €850,000 of EU Grant was allocated to Priority 3 (8% of total programme ERDF), this figure reduced to €733,200 (6.8%) later in the programming period following a virement into Priority 2.

In March 2004 the PMC/WWPB agreed to merge the two Measures of Priority 3. This allowed a more seamless approach to Technical Assistance functions and

created administrative savings by reducing the number of Technical Assistance projects.

In total, eight Technical Assistance projects were approved. These projects spent just under €727,500 of EU Grant. Wrexham County Borough Council carried out all of the Technical Assistance with the exception of the Mid-Term Evaluation.

Technical Assistance enabled Wrexham County Borough Council to employ a small team of officers to support stakeholders, including the PMC/WWPB, the Managing Authority and project applicants. This team gradually reduced in size as the programme proceeded. The last Technical Assistance project ended in January 2008.

The Technical Assistance team kept detailed records of their activity and that of the PMC/WWPB and sub committees. They organised meetings and had standing agenda items at the PMC/WWPB meetings.

The Technical Assistance team assisted project applicants, both before and after approval, to overcome difficulties and deliver the Programme. This activity sometimes included investigating eligibility queries with the Managing Authority or assisting applicants to comply with audit requirements. The Technical Assistance team helped applicants to set up compliant systems and monitored progress through regular project visits. They also had much success in negotiating with Welsh Assembly Government in order to secure match funding for the Programme.

The Technical Assistance team monitored programme progress and provided information to the Managing Authority, including information that helped compile N+2 and indicator forecasts.

The Technical Assistance team also shared and gathered best practice information through hosting and attending the UK URBAN II Network.

#### **4.4 MEASURES TAKEN TO ENSURE PUBLICITY OF THE PROGRAMME**

This sub section gives details of the publicity activities undertaken throughout the programming period, in line with Commission regulation 1159/2000.

Building on work undertaken by the Welsh European Programme Executive in previous programmes, WEFO began its publicity initiatives in April 2000 through newsletters, press releases, conferences, and the launch of the WEFO website. All publicity activity was bilingual, in accordance with the 1993 Welsh Language Act. This continued through the lifetime of the Programme.

## **i) Website**

The new website functioned as an important tool for the dissemination of information; through offering information on Operational Programmes and summaries, Programme Complements, Application Forms, Guidance, Programme Area maps and Programme Monitoring Committee papers. The website remained a key communications tool throughout the programmes and towards the end of 2006 work started on refreshing information currently available on the website as well as the production of new interactive pages.

## **ii) Publicity and Information Material**

In 2000 a general WEFO introduction leaflet was published, along with a simple guide for applicants, two newsletters and publicity guidance. The newsletters followed the full colour 4-page (English and Welsh) A4 format and all featured photographs where possible.

Throughout the programming period these activities were strengthened with an increase in the number of newsletter editions published each year to four and 12 programme fact sheets produced. In addition, stickers, maps, posters and badges were produced. Later on in the programming period other promotional items were developed including banners and pop-up stands with carrier bags, pens and post-it notes made available.

In 2007 two brochures were produced highlighting the achievements of the 2000-2006 programmes with a focus on case studies and the vision for the 2007-2013 programmes. These were distributed throughout local authorities, Ministers, stakeholders and partners across Wales.

## **iii) Press**

Regular press releases were issued to mark programme achievements, best practice projects and policy announcements. Interviews with Ministers took place to publicise key developments and photo opportunities were organised to promote project launches, announcements and events.

Press briefings were also arranged to update the media on the progress of the programmes. In addition, advertising campaigns were undertaken through advertorials and general advertising with local and regional press.

## **iv) Events**

Events, seminars, workshops and conferences were held throughout the programmes to publicise and enhance understanding of the Structural Funds programmes in Wales. In Wales, WEFO also took display stands to events such as the Royal Welsh Show and the National Eisteddfod.

## **v) Visitors**

WEFO welcomed parties from across Europe including Romania, Hungary, Sweden, Poland, Estonia and the Czech Republic. The parties varied from 1 to 30 people and visits were organised to exemplary projects.

In addition, Peter Mandelson, EU Commissioner for External Trade, Reijo Kempinnen, Head of the European Commission for the UK both visited EU-funded projects in 2006.

## **vi) Advertising and Logos**

WEFO redesigned new logos for each of the mainstream programmes, as well as four community initiatives. Commissioner Barnier launched the new logos during his visit to Wales. In 2003, WEFO also took the decision to issue free plaques to every approved project and beneficiary using the newly designed logos. This continued throughout the programmes with a high take-up of this service.

## **vii) Programme-specific publicity activities**

Throughout the programming period Wrexham County Borough Council helped to ensure that the Programme was well publicised. This included a number of articles, publicising local projects and the Programme, in local newspapers and newsletters. Also, towards the end of the programming period, events in Brymbo, Tanyfron, Brynteg, Gwersyllt, Coedpoeth and Llay took place to publicise the Programme and to encourage involvement in continuing the Programme's community development ethos.

## **viii) Achievements against the Communication Plan**

The objectives of the Communications Plan were to:

- promote funding opportunities offered by the European Union by providing clear information about the Programme in Wales and the European Structural Funds, and by disseminating best practice;
- raise public awareness of the role of the European Union in regional development in Wales through European Structural Fund assistance; aid transparency of the operation of the Programme.

These were undertaken through a variety of information and publicity measures throughout the programming period, which were reported on an annual basis as part of the AIRs, and notably included the following:

- the provision of free plaques to all approved project sponsors and their beneficiaries to acknowledging EU funding received;

- the website containing relevant programme information and achievements;
- the distribution of regular Programme News, Post-2006 and EU4U newsletters to promote Programme events, achievements and other useful sources of information;
- the publication of information and publicity guidelines for sponsors and publication of brochure (e.g. Towards Prosperity), fact sheets and leaflets;
- holding events (e.g. Best Practice Conference 2005), attendance at events, seminars, workshops and conferences to publicise progress and achievements of the Programmes
- Press Campaigns including drafting and issuing press releases, placing features and editorial in targeted newspapers and journals, dealing with media enquiries and also arranging TV/radio interviews with Ministers.

#### **4.5 SUMMARY OF MAIN EVALUATIONS**

This sub section gives details of the main evaluations undertaken during the programming period and covers the Ex Ante Evaluation, Mid Term Evaluation and Mid Term Evaluation Update

##### **i) Ex Ante Evaluation**

The development of the Community Initiative Programme document and the accompanying Ex Ante Evaluation were difficult exercises due to the limited socio economic data available for the Programme area. Some differences of opinion between the evaluators and Plan Team existed over the interpretation of the data.

The evaluators expressed some concern over the limited involvement of the wider Partnership in developing the CIP due to the tight timescales. However, the evaluators acknowledged that Wrexham County Borough Council was working hard to engage the community on the future direction of the Programme. Furthermore, the CIP was designed to be broad to allow the Partnership to develop their own ideas as they progressed.

The Ex Ante Evaluation questioned whether experience of past URBAN Programmes had been considered in the development of the Community Initiative Programme document. The Plan Team responded by pointing out that, building on lessons learned from previous URBAN Programmes they had taken care to avoid a top-down approach whereby the agenda for the Programme is set in stone at an early stage.

## **ii) Mid Term Evaluation**

### **Introduction**

The Mid Term Evaluation for the Programme examined the following areas:

- a) The continuing relevance of the Programme strategy;
- b) The effectiveness of the Programme processes;
- c) The integration of Cross Cutting Themes; and
- d) Community Added Value.

#### **a) The Continuing Relevance of the Programme Strategy**

Analysis of data published at the mid term stage suggested that the overall goals of the Programme remained consistent with socio economic trends in the Programme area. Furthermore, the baseline assessment undertaken for the Community Initiative Programme was broadly accurate.

However, a number of issues for the relevance and design of the Programme did emerge. These included the need for an emphasis on community development as a precondition of initiatives with a business focus. Three local studies were undertaken. The potential impact of their findings on the nature of the Programme's output targets were raised for consideration. In particular, their detailed analyses of obstacles to entrepreneurship, business development and participation in the labour market. Finally, the network of local resource and lifelong learning centres funded through the Programme had implications for its allocation of resources, its targets, and project selection criteria.

Evidence suggested that a number of findings of the Ex Ante Evaluation remained valid. In particular, the lack of focus on synergy with other Programmes; second, the 'over-allocation' of resources to business development; and finally, the need to consider more explicitly how economic opportunities in the nearby travel to work areas could have been considered more explicitly.

#### **b) The Effectiveness of Programme Processes**

Both the survey of key partners and evidence from the interviews suggested that there was a strong sense of shared vision of the Programme amongst participants and generally positive views about the Programme. However, some less positive messages also emerged from the survey and interview research.

In addition to the lack of a 'fast track' approval procedure for small projects, the research suggested that there were concerns about the availability of advice and support for applicants and local communities. This was particularly relevant given that the area had a historic lack of involvement in EU-funded regeneration

Programmes, and the consequent need to build Programme development capacity. However, the interviews revealed that measures to address these issues, namely the appointment of three Community Development Officers, were starting to have a positive impact.

Some survey respondents felt that there was a lack of project development capacity across all measures. The Community Development Officers were working with communities that experienced the greatest issues with project development. In the interviews, this was found to be making a difference.

Some respondents believed that there had been substantial delays in project approval. Reasons for this may have included: the varying quality of project applications, problems with obtaining suitable match funding, WEFO processes, and weaknesses in support for project sponsors. Many of these issues had since been addressed.

### **c) The Integration of the Cross Cutting Themes**

Overall, the Cross Cutting Themes were found to have been given sufficient prominence at both a strategic and planning level i.e. in Programme documentation and during the implementation process. At mid-term stage, the Programme was seen as likely to have a visible impact in terms of equal opportunities – such as the provision of childcare facilities and the number of women likely to benefit from training.

While there were difficulties in getting projects approved that led to an improvement in the streetscape of the Programme area (since many businesses were retailers), the development of community centres improved local residents' quality of life by improving access to neighbourhood facilities which were previously lacking. Although environmental projects were not forthcoming, projects indirectly had a positive impact on environmental sustainability.

The strong focus of training on ICT skills development and on encouraging businesses in the Programme area to take advantage of ICT were likely to have a tangible impact by raising the skills base, opening up or improving employment opportunities for individuals, and by helping local businesses to become more competitive.

### **d) Community Added Value**

Most respondents were positive about the role of Programme funding in creating added value in four areas: greater project scale, faster project implementation, focus on tackling issues of relevance to the Programme area in new ways, and better partnership working. In contrast, opinions were divided about the added value benefits of the Programme in four other areas. Considerable numbers of respondents did not believe that the Programme led to sharing of best practice,

or to links being created with other areas, or to integration of different forms of intervention. Furthermore, there were divergent opinions on the role of the Programme in helping to ensure a longer-term, more strategic approach.

### **iii) Mid Term Evaluation Update**

#### **Introduction**

The Mid Term Evaluation Update for the Programme examined the following areas:

- a) The extent to which the Mid Term Evaluation's recommendations have been implemented and the effects of the implementation;
- b) Programme impact in terms of jobs created;
- c) The mainstreaming potential of the Programme practices; and
- d) Actual and potential links with the East Wales Objective 3 Programme projects.

#### **a) Mid Term Evaluation (MTE) recommendations**

All but two of the eight recommendations had been implemented at the time of the Mid Term Evaluation Update. The evaluation found that the appointment of three Community Development Officers by Wrexham County Borough Council (WCBC) had assisted the Community Development Committees to increase their capacity to develop project ideas. The expansion of the Business Support Grants projects had improved the commitment levels in the Entrepreneurship and Business Development Priority.

#### **b) Impact**

The evaluation estimated that the Programme will have created up to 262 jobs by the end of the Programmes.

#### **c) Mainstreaming potential of Programme practices**

The evaluation identified benefits of involving local people in Programme design (a Programme practice) in terms of 'ownership' and understanding of the strategy and identification of project ideas. The evaluation also found that the involvement of Community Committees in the Programme enabled communities to have greater influence in the Programme and helped build their capacity for engagement with the Programme and other Structural Funds Programmes in Wales.

#### **d) Links with the East Wales Objective 3 Programme**

The evaluation found that whilst the Programme documents outlined links with the Objective 3 Programme, these were not reciprocated in the East Wales Objective 3 Programme documents. Furthermore, there was little evidence of links between the Programmes in practice. The late start of the Programme in comparison with the East Wales Objective 3 Programme was identified as a possible reason for the difficulties in developing links between the Programmes.

#### **4.6 STEPS TAKEN TO ENSURE COMPATIBILITY WITH COMMUNITY POLICIES AND COORDINATION OF ALL COMMUNITY STRUCTURAL ASSISTANCE**

Throughout the programming period WEFO took all appropriate steps within the framework of the assistance to ensure conformity with Community policies. These included rules of competition, the award of public contracts, environmental protection and improvement, the elimination of inequalities, the promotion of equality between men and women and compatibility with the Common Agriculture Policy and Rural Development Plan.

Throughout the programming period WEFO ensured that the funds have been used in accordance with the principles of sound financial management.

The Programme documents - the Community Initiative Programme and Programme Complement - outlined ways in which the Programme could develop links with the East Wales Objective 3 Programme.

Representatives of the education sector sat on the PMC/WWPB and contributed to the development of projects and strategies. They were important stakeholders of the Programme because the provision of training facilities was a central part of the projects funded under Priority 2 of the Programme. Even before their construction, the Community Resource Centres were increasing interest in learning; for example, during an ESF-funded Adult Learners' Week in Coedpoeth. The centres funded under the Programme enabled ESF activity to be delivered in modern facilities within walking distance of target communities.

#### **i) State Aids and Income Generation**

Throughout the programming period WEFO ensured that all applications for assistance clearly identified any Measures which constitute State Aid. Projects did not receive formal approval of grant until State Aid approval has been granted. Checks were also made by the Financial Control teams: Article 4 and Article 10 during their visits.

Throughout the programming period WEFO's approval procedure looked in depth at the potential income generation of projects and treated expected income in line with EC regulations, including Rule 2 of E.C. Regulation 1685/2000, as amended by E.C. Regulation 448/2004. Treatment of income generation could have reduced the grant available to projects which could have created funding difficulties, particularly for voluntary sector capital projects. WEFO thus ensured that approved projects had robust plans for financial sustainability.

#### **4.7 IMPLEMENTATION OF THE CROSS CUTTING THEMES**

In line with EC guidelines, policies were put in place by WEFO to mainstream Cross Cutting Themes through all the European Programmes. During the programming period WEFO appointed advisors with specific responsibility for the Environmental Sustainability and Equal Opportunities themes. WEFO required projects to demonstrate how they would contribute to the Cross Cutting Themes at the application stage. Checks on Cross Cutting Themes were included in WEFO Financial Control visits to projects.

##### **i) Equality Unit**

During the programming period the Equality Unit promoted the principle of mainstreaming equality throughout the Structural Funds Programmes and provided advice and guidance on project development, monitoring and evaluation for Partnerships and WEFO staff.

##### **ii) Welsh Language**

The Welsh Language has been an important consideration during the programming period. Guidance notes were prepared to assist potential applicants to understand how incorporating Welsh language issues within projects could contribute to job creation and increased turnover. Mentrau Iaith were key players in local partnerships created to attract European funding to their areas, they have assisted by providing a network of advice for local partnerships, supporting the work of the Welsh Language Board and WEFO.

The projects approved during the programming period were subject to WCBC's Welsh Language Scheme.

## **5. IMPLEMENTATION OF THE PROGRAMME DURING 2008 SECTION**

This Section gives details of the implementation of the Programme at Priority and Measure level during 2008 and 2009 through to closure, including details about financial implementation, predicted and reported indicator data. It also summarises the steps taken by the Managing Authority and the Programme Monitoring Committee to ensure the quality and effectiveness of implementation during 2008. By 2008 the majority of Programme activity was coming to a close. One project was approved in 2008.

### **i) Programme performance: Overview**

Only one project was approved under the Programme in 2008. By end 2008 a total of 31 projects had been approved under the Programme: eight projects were approved under Priority 1, 15 under Priority 2 and eight under Priority 3. EU Grant commitment was over 100% of the allocation.

Under Priority 1 a total of €417,400 of EU Grant was spent during 2008. This was around 14% of the Priority 1 allocation. By end 2008 the EU Grant committed was higher than the Priority allocation, and an underspend was not expected. Around €145.3k of EU Grant was authorised in the period from 2009 through to closure, bringing the EU Grant spent to €3.2m by Programme close.

Under Priority 2 a total of €810,600 of EU Grant was spent during 2008. This was around 12% of the Priority 2 allocation. By end 2008 it appeared likely that there would be an underspend under Priority 2. Projects needed to claim for a further €760,500 of EU Grant on expenditure incurred in 2008. Due to the weakness of the pound against the Euro, the grant committed to projects was approximately €100,000 less than the Priority allocation. Around €161.9k of EU Grant was authorised in the period from 2009 through to closure, bringing the EU Grant spent to €6.2m by Programme close.

In 2008 a small learning co-ordination project was approved to ensure that the resource centres that had been built were taking advantage of learning opportunities and avoiding unnecessary duplication.

Under Priority 3 a total of €1,600 of EU Grant was spent during 2008. This was around 0.2% of the Priority allocation. By end 2008 it appeared likely that there would be a small underspend in this Priority. There was a recovery of expenditure from a Technical Assistance project in Priority 3 Measure 1 amounting to around €0.8k. EU Grant spent was around €0.7m by Programme close. Only one project was active in Priority 3 in 2008. This project paid for Technical Assistance from a Wrexham County Borough Council officer and was completed in January 2008.

## Financial summary Tables

The following tables shows grant committed and eligible grant authorised to the end of 2008, along with the eligible grant paid in the period from 1 January 2008 to closure (data at end 15/02/2010) at Programme and Priority-levels. By 2008 the majority of Programme activity was coming to a close.

**Table 11: Financial Summary of the Programme 2008 to closure**

Priority	EU Grant 2000 - 2008			Eligible Grant Paid to end Programme	Eligible Grant authorised 2009 to Closure
	Allocation	Commitment	Eligible Grant Paid		
<b>Total all Priorities</b>	<b>10,784.5</b>	<b>10,937.9</b>	<b>9,835.7</b>	<b>10,142.1</b>	<b>306.3</b>
<i>Of which:</i>					
Priority 1	3,219.5	3,341.3	3,036.1	3,181.4	145.3
Priority 2	6,831.8	6,730.4	6,071.3	6,233.2	161.9
Priority 3	733.2	866.2	728.3	727.5	- 0.8

Source: WEFO, 15/02/2010

**Table 12: Financial Summary: Priority 1: 2008 to closure**

Priority	EU Grant			Eligible Grant Paid to end Programme	Eligible Grant authorised 2009 to Closure
	Allocation	Commitment	Eligible Grant Paid		
<b>Total all Measures</b>	<b>3,219.5</b>	<b>3,341.3</b>	<b>3,036.1</b>	<b>3,181.4</b>	<b>145.3</b>
<i>Of which:</i>					
Measure 1	1,848.3	1,960.5	1,757.2	1,814.2	57.0
Measure 2	1,371.2	1,380.8	1,279.0	1,367.2	88.2

Source: WEFO, 15/02/2010

**Table 13: Financial Summary: Priority 2: 2008 to closure**

Priority	EU Grant			Eligible Grant Paid to end Programme	Eligible Grant authorised 2009 to Closure
	Allocation	Commitment	Eligible Grant Paid		
<b>Total all Measures</b>	<b>6,831.8</b>	<b>6,730.4</b>	<b>6,071.3</b>	<b>6,233.2</b>	<b>161.9</b>
<i>Of which:</i>					
Measure 1	3,295.9	4,252.9	3,808.1	3,931.3	123.2
Measure 2	3,535.9	2,477.5	2,263.2	2,301.9	38.7

Source: WEFO, 15/02/2010

**Table 14: Financial Summary: Priority 3: 2008 to closure**

Priority	EU Grant			Eligible Grant Paid to end Programme	Eligible Grant authorised 2009 to Closure
	Allocation	Commitment	Eligible Grant Paid		
<b>Total all Measures</b>	<b>733.2</b>	<b>866.2</b>	<b>728.3</b>	<b>727.5</b>	<b>- 0.8</b>
<i>Of which:</i>					
Measure 1	592.2	621.6	593.6	592.8	- 0.8
Measure 2	141.0	244.6	134.7	134.7	0.0

Source: WEFO, 15/02/2010

**Indicator tables (data at 31/12/2008)**

The following tables show the progress the Programme made to end of December 2008, in terms of predicted and achieved indicators and is given for each Priority in turn. An analysis of progress made by the end of the 2008 calendar year is given, here. Further analysis of progress to the end of the programming period at Programme and Priority levels is given in Section 2.

**Table 15: Priority 1: Entrepreneurship and business development: Indicators data**

Indicator	PC Target	Forecast		Actual	
		Number	Share of Target	Number	Share of Target
<b>Outputs</b>					
No. of new businesses created	40	55	100+%	59	100+%
No. of new and existing community businesses receiving financial support	75	192	100+%	203	100+%
No. of businesses where management and workforce have received additional training, advice and assistance	40	17	43%	11	28%
No. of sq. metres of new or improved workspace	1000	2,777	100+%	9,455	100+%
<b>Results</b>					
No. of gross new direct jobs	140	190	100+%	335	100+%
No. of gross jobs safeguarded	55	95	100+%	177	100+%
Investment in new and existing businesses (£k)	1500	495,682	100+%	1,252	83%
No. of SMEs gaining support with internet access	54	81	100+%	90	100+%

Source: WEFO, 31/12/2008

There was a high increase in indicator achievement in 2008 compared to grant spent. This might be due to the effect of the investment from previous years on the programme indicators.

The jobs created and jobs safeguarded figures are particularly encouraging for 2008, with increases of 30% and 61% respectively. Despite the fact that these are gross, rather than net jobs, the affect of this level of job creation on the Programme area is likely to be an important legacy of the Programme. The job creation figure is double the Programme target and the jobs safeguarded figure is over three times the Programme target.

The indicator that has seen the highest rise compared to 2007 is the 'Number of businesses where management and workforce have received additional training, advice and assistance'. Nevertheless, achievement is unlikely to rise much beyond a third of the targeted figure. This is not a reflection on the impact of the Programme, but a result of omission from the Measure level of the Programme Complement and from some early projects.

**Table 16: Priority 2: Participation: Indicators data**

Indicator	PC Target	Forecast		Actual	
		Number	Share of Target	Number	Share of Target
<b>Outputs</b>					
No. of participants in training which is of direct benefit to the URBAN II Programme	600	766	100+%	905	100+%
No. of community groups assisted	100	142	100+%	175	100+%
No. of environmental schemes supported	15	13	87%	34	100+%
No. of new/refurbished community facilities	10	14	100+%	17	100+%
No. of women beneficiaries	300	370	100+%	497	100+%
<b>Results</b>					
Gross jobs created	100	-	-	-	-
No. of beneficiaries completing their courses/training activities	378	378	100%	640	100+%
No. of beneficiaries gaining a qualification	252	282	100+%	361	100+%
No. of new community based enterprises established	15	18	100+%	14	93%
No. of beneficiaries finding employment	90	110	100+%	56	62%
No. of beneficiaries with positive outcomes on learning	-	240	-	291	-
No. of local residents accessing employment	-	32	-	51	-

Source: WEFO, 31/12/2008

There has been little change in the indicator achievement in Priority 2 during 2008. As noted in the Annual Implementation Report for 2007, two indicator targets are unlikely to be achieved by the end of the programming period. These are: 'Beneficiaries finding employment' and the 'Number of new community based enterprises established'. Reasons for underachievement against indicator targets are given in Section 2.

## **ii) Steps taken by the managing authority and Programme Monitoring Committee**

### **Programme Monitoring Committee / West Wrexham Partnership Board**

The PMC agreed the 2007 Annual Implementation Report on 26 June 2008 through written procedure. The draft 2007 AIR was circulated by written procedure in May 2008 and members were invited to submit their comments on the draft report by early June 2008. Details of the comments received from the PMC/WWPB and WEFO's response to those comments were sent to members on 19 June 2008. The PMC was invited to agree the changes to the 2007 AIR

and for WEFO to submit the AIR to the Commission by end June 2008. The PMC was invited to submit further comments/objections to WEFO by end 26 June 2008. None were received and WEFO duly submitted the report on 30 June 2008.

## **WEFO Teams**

As in 2007, WEFO allocated resources to the programme from the relevant teams depending on the need. For example, WEFO Programme Management Division continued to manage any changes to approved projects, the WEFO Payments team processed claims and payments, and WEFO Finance oversaw the financial situation of the programme.

### **Wrexham County Borough Council URBAN II Team**

There was no Technical Assistance team in Wrexham County Borough Council (WCBC) after mid-January 2008. The officer previously employed through technical assistance remained a WCBC employee in 2008 and was available to help WEFO with Programme closure.

## **Financial Control**

WEFO continued to ensure that the funds are used in accordance with the principles of sound financial management throughout 2008 and 2009 through to closure.

### Article 4

As the Article 4 team was not set up until 2004, visits on the Programme started in 2005. Two visits were undertaken within 2008 to ensure a consistent programme of Article 4 monitoring throughout the programming period.

### Article 10

Three audits were performed by ESFAT in 2008 under Article 10 and these were concluded in 2009. These visits identified nine irregularities, one of which was later withdrawn. The funds over claimed in the remaining eight irregularities were reported to WEFO for recovery decisions.

## Significant problems encountered

No adverse problems were encountered in implementing the Programme during 2008 and 2009 through to closure.

### Irregularities

During 2008 and 2009 through to closure irregularities were processed and recorded on a central database and register which drives the reporting process through to the Commission (OLAF) via our UK Co-ordinator the Department for Business, Enterprise and Regulatory Reform (BERR).

The table below shows the Irregularities identified by WEFO during 2008 and 2009 through to closure in the Programme area.

**Table 17: Irregularities reported in Programme area 2008 to closure**

Type of verification	Number of irregularities reported	Total value of irregularities reported (€)	Amount recovered (€)
Article 10	16	€359,247	€282,002
Article 4	-	-	-
Other	2	€821,350	€413,286
<b>Total</b>	<b>18</b>	<b>€1,180,597</b>	<b>€695,288</b>

Source: WEFO

Note:

Number of irregularities reported does not include those identified and cancelled prior to reporting to BERR. Total value of irregularities reported includes those later cancelled. The amount recovered therefore only relates to those finalised as irregularities and recovered.

Some irregularities were not reported until after they were recovered. These cases were identified as part of an exercise completed for programme closure

Twenty two irregularities were identified by WEFO during the programming period of which 21 were identified since 1 January 2008. They were identified as a result of Article 10 inspections and through the WEFO Payments team.

The 22 irregularities identified by WEFO during the programming period related to two applicant organisations. Two of the irregularities identified by WEFO during the programming period were cancelled following further documentation being received from the applicant. In both situations the costs were substantiated. An irregularity relating to one project was identified and later cancelled to be replaced by an irregularity to cover all project expenditure. This replacement irregularity was reported and resolved by withdrawal from the Statements to the Commission. One irregularity was cancelled due to being reported in error.

Of the five cancelled irregularities (all 5 identified since 1 January 2008, two were reported to BERR and follow up reports completed to cancel the irregularities. The three other cases were not reported as the irregularities were cancelled prior to the original reports being sent to BERR.

## **Programme Closure**

During the final calendar years of the programming period successful Programme Closure became a high priority.

The date for submission of closure documents to the European Commission for the Programme is 31 March 2010. To ensure a successful closure of the Programme, a Closure Working Group chaired by the Director of Finance, with representation from the managing authority, the paying authority, Article 10 and the Article 15/ Winding Up Body was established by WEFO to manage closure of all Structural Funds programmes in Wales, including the Programme. The Group developed a clear timetable across all Programmes and Funds, including the Programme.

Within WEFO the Senior Management Team recognised the importance of a successful closure process with a view to achieving positive Assurance Reports. To this end, in addition to the Closure Working Group, a dedicated Team was established within WEFO to manage the whole Closure process and resolve issues identified by the Winding Up Body.