

25 March 2010

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## EU Update

### Summary

This paper provides an update on the LGA's work on EU funds for regeneration and jobs. Specifically it updates the board on LGA work on:

For information:

- i) Future of EU Budget and Regional Policy
- ii) EU Structural Funds – towards a local development methodology

### Recommendations

Members are asked to note the ongoing work in this report.

### Action

To continue to represent council interests, in both London and Brussels, on EU funding.

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## EU Update

### EU Budget Review

1. In July 2010 the European Commission is expected to publish proposals (without figures) on the EU Budget for after 2013. The current budget finances many programmes relevant to local authorities: Structural Funds (£8.4 billion to UK), the Common Agricultural Policy (including the Rural Development Plan for England worth £3.9 billion to England), and a range of thematic funds (LIFE+, FP7 etc).
2. The EU is under pressure to deliver real reform, and a document leaked last year suggested that some within the Commission are in favour of cutting Structural Funds for generally more prosperous countries like the UK. The LGA has:
  - worked with other local and regional government lobbies to persuade the Commission to delay the publication of proposals until July 2010 (originally due before end of 2009).
  - continued to put across strong arguments for the continuation of funds in generally more prosperous areas.
3. As part of the case for the continuation of EU funds for generally more prosperous regions, the LGA has developed a new report *More than Money: maximising the true value of EU funds*. The paper:
  - outlines six ways in which EU funds offer added-value over domestic programmes
  - includes examples of each added-value in action
  - makes recommendations for further building on each added-value in the future.
4. This is something no other organisation or institution has aimed to demonstrate. The six 'pillars' of added-value include:
  - financing projects that wouldn't otherwise exist
  - stable seven-year programming period
  - developing new multi-sectoral, multi-level partnerships
  - additional private and public sector match funding
  - 'space' for policy innovation
  - sharing knowledge across boundaries
5. The report also makes recommendations for building added-value into other areas of EU spending: such as the thematic funds and CAP. And fits into wider work pushing for future EU programmes to be better co-ordinated, better promoted, and better able to fit with local strategy and financing.

## **EU Structural Funds - towards a 'Local Development Methodology'**

6. The LGA has worked with the full range of partners in arguing for the better involvement of local government in the design and delivery of EU Structural Funds after 2013 - currently worth €9.4 billion to the UK.
7. Over the last few months the European Commission department responsible for the funds has committed to exploring how they might be delivered through a 'Local Development Methodology' (LDM) in the future. In considering what the LDM might achieve, the Commission regularly reflect concepts pushed by the LGA, for instance:

'This methodology ... can be implemented through specific instruments for integrated local development particularly in sub-regional territories such as urban and rural areas but also functional areas such as urban-rural territories'. (*Unleashing the territorial potential*, European Commission, Dec 2009.)

8. The LGA have published a paper with a series of recommendations for a local development approach to Structural Funds, *Towards a Local Development Methodology: recommendations and resources from local government* and are working closely with the European Commission team developing proposals. Recommendations include:
  - opportunity for councils or groups of councils to manage programmes, sub-delegating from regional level, where they want to
  - a need for LDM to apply to all area types, not just urban areas
  - a need for LDM to be sufficiently flexible as to work with existing local development frameworks
  - a need to apply LDM across all EU spending that has a territorial impact
9. A Green Paper on the future of Structural Funds is expected in October 2010, the LGA continues to push the sector's messages across all elements of the paper, which is likely to include proposals for a Local Development Methodology.

## **Financial Implications**

10. None. This ongoing work will be delivered through existing LGA resources.

## **Implications for Wales**

11. EU legislation affects both England and Wales.

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