



Councillor Peter Box
Chair of LG Economy and Transport
Programme Board
Local Government Association
Local Government House
Smith Square
London
SW1P 3HZ

Baroness Hanham CBE
Parliamentary Under Secretary of State

**Department for Communities and Local
Government**

Eland House
Bressenden Place
London SW1E 5DU

Tel: 0303 444 3461

Fax: 0303 444 3291

E-Mail: baroness.hanham@communities.gsi.gov.uk

www.communities.gov.uk

Our Ref: ER/ST/043402/10

A handwritten signature in black ink that reads "Peter Box".

13 JAN 2011

EUROPEAN REGIONAL DEVELOPMENT FUND

Thank you for your letter of 2 December to Mark Prisk MP about the European Regional Development Fund. Your letter has been passed to this Department as we are the Managing Authority for these programmes in England.

You will by now have received the letter of 22 December from Sir Bob Kerslake to ERDF stakeholders, with the accompanying policy document setting out our proposals for managing ERDF programmes in England after the Regional Development Agencies are abolished and for bringing ERDF and different funding initiatives together.

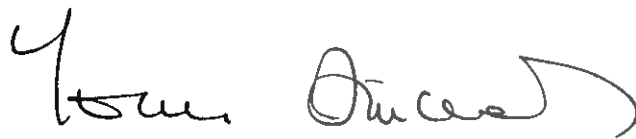
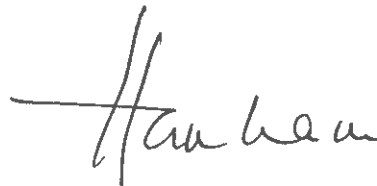
The main components of these proposals are that existing ERDF teams should transfer into the Department for Communities and Local Government from 1 July, but that they should in all other respects continue to operate as now, including from their existing locations. Although administration of the programmes will transfer to DCLG, we want to see local authorities and communities being fully involved in policy decisions through their participation in Local Management Committees (LMCs), which will take on the role of the existing Programme Monitoring Committees.

As regards match funding, my officials are working with the Department for Business, Innovation and Skills to align the administrative and appraisal processes for ERDF and the new Regional Growth Fund (RGF). We will be looking for the RGF to provide substantial match funding for ERDF. Nevertheless, we recognise that other forms of match funding will be required and we will also be looking to lever in increased amounts from the private sector, including the European Investment Bank.

I hope that this letter and the policy document accompanying Sir Bob's letter alleviate any concerns you have about the future management of 2007-13 ERDF programmes in England, but I am happy to meet with you to discuss any outstanding issues.

On the future of the structural funds beyond 2014, you may be aware that the European Commission recently launched a public consultation on the future of Cohesion Policy for the financial period 2014-2020. The consultation is based on the Commission's recently published 5th Cohesion Report. A link to the report and consultation is available at http://ec.europa.eu/regional_policy/consultation/5cr/index_en.cfm.

The Department will be submitting a formal response on behalf of the UK Government. We are also encouraging organisations with an interest in cohesion policy to respond to the consultation. Department for Business, Innovation and Skills officials have recently contacted Nick Porter, European Policy officer at the Local Government Association, to inform him about the Commission's consultation and to invite the LGA to share their response with the department to help us in drawing up our response.

A handwritten signature in black ink, appearing to read 'Yvonne Owen'.A handwritten signature in black ink, appearing to read 'Hanham'.

BARONESS HANHAM CBE