

EU Funds Post 2013 - Update and Lobby Strategy

Purpose of report

For discussion and direction.

Summary

This report updates members on current lobbying activities related to EU funds. There will be three presentations as part of this agenda item from:

Sue Baxter, the Deputy Director of EU Programmes, Economic Development Directorate at the Department for Business, Innovation and Skills (BIS), who is leading the UK negotiations on structural fund reform.

Kevin Richardson, one of two local government secondees to BIS who has recently joined the UK negotiating team on EU structural funds reform.

Adrian Canard, the Chief Executive of East of England LGA to set out the help councils receive in the East of England to support making EU funding applications.

Recommendation

Members are asked to comment on the report, and to steer work ahead.

Action

Officers to action as directed by Members.

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1. The European Union structural funds typically support economic and skills development activity, and are regularly accessed by local authorities to help realise local ambitions for economic growth.
2. The funds are worth over £8 billion to the UK between 2007-2013 period, which, once match-funded, represents a potential total investment over £16 billion. They include the European Regional Development Fund (ERDF) and the European Social Fund (ESF). Further investment opportunities are available to councils through the EU's Rural Development Programme for England, and a range of thematic EU funds.
3. 2012 is a crucial year in determining what the funds will look like from 2014-2020, and what role councils can play in using them. The LGA continues to play a leading role in discussions with European institutions and the UK Government to ensure that councils are able to lead, shape and use these funds in whatever way is most appropriate for their area.
4. An informal task and finish group continues to lead LGA lobbying on EU funding. The group includes members from this Board and the Economy and Transport Board. The objectives are to:
 - 4.1 Protect investment and maximise the take from EU funds for local areas.
 - 4.2 Ensure councils play a leading role in the negotiation and establishment of the new programmes.
 - 4.3 Articulate and push the case for new delivery models that enable local partners to join-up EU funds with all investments in their areas.
5. This paper updates on work to date, and sets out some recommendations for progressing next steps.

Update on lobbying work

6. Members continue to lead work in both Whitehall and Brussels to influence the progress of the EU fund negotiations, spending decisions and management arrangements.
7. Activities in the autumn are set out below in paragraphs 8 and 9.
8. Protecting investment in Brussels:

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- 8.1 There will be crucial votes in the European Parliament in the autumn. In order to brief English MEPs on the detail of the case for investment in the UK and the need for a sub-regional delivery model, we are organising a lobby of key MEPs and European Commission officials on 17 – 18 September 2012. Members discussed this at the last meeting and asked officers to consider the most effective lobbying strategy. From discussion with European and International (E&I) Group Leaders, it is recommended that we send a small delegation of group leaders (or their representatives) to Brussels, with other members who have a record of engagement with key MEPs. This proposal will be set out at the meeting.
 - 8.2 We have successfully coordinated a common set of legislative amendments with other LGAs from across the EU as well as having a number of amendments tabled by Catherine Bearder MEP to ensure funds are more flexible and encourage local delivery. Furthermore, Derek Vaughan MEP recently held a hearing allowing the LGA to directly address the European Parliament and Commission officials.
 - 8.3 With the Cypriot Government assuming the Presidency of the EU for the six month period when crucial decisions on EU funding reform will be taken, we recently met with a number of Cypriot senior civil servants to set out some of our concerns and issues. Through the Commonwealth Local Government Forum and the Cypriot LGA, we were able to provide LGA briefings to all the relevant ministers in Cyprus to ensure that the UK local government view will help form part of their Presidency's agenda from July to December 2012.
 - 8.4 We will also work with members through the other member representation and pressure on MEPs and the Committee of Regions (CoR) and the Council of European Municipalities and Regions (European LGA). For example, Councillor Garvie (Liberal Democrat, COLSA) has become rapporteur for a CoR opinion on the local aspects of EU funds.
 - 8.5 Board members may wish to arrange individual meetings with their MEPs on this issue. It will be important that there is continued demand from councils for sub-regional delivery of funds. Members can call on LGA support for briefing at such meetings,
9. Making the 'local' case in Whitehall:
- 9.1 We will continue to push the case for new delivery models that enable local partners to join-up EU funds with all investments in their areas, such as integrating EU funds into City Deals, into Local Enterprise Partnership strategies, and into local authority investment plans for their place. In order to highlight and refresh this issue, we will publish a report by September which details how sub-regional delivery can be achieved and provide evidence to

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show how local authorities can join-up spending in their areas to deliver better outcomes and efficiencies.

9.2 We need to look at greater detail in the issue of match-funding, and what local authorities can potentially offer within the new economic development landscape – such as business rates, TIF, etc. As EU investment is being planned up to 2020, it will be important to play into the lobby the role that councils and partners can play in matching EU funds as a result of new devolution.

9.3 There are a number of meetings planned with Ministers to discuss and take forward local authority approaches following responses to the BIS consultation, including with Mark Prisk MP, Chris Grayling MP, and Baroness Hanham.

10. Officers would be keen to support members of the Board wanting to more directly engage their councils in this work. Members may wish to set out where case studies from their councils could help the above evidence base.

Discussion and debate at the meeting

11. In order to provide an up-to-date analysis of how this work is progressing nationally, we have three speakers at the Board.

12. Sue Baxter is the BIS official leading the UK negotiations on structural fund reform. Sue will set out the latest position in the EU-wide negotiations.

13. Kevin Richardson is one of two local government secondees who have recently joined the UK negotiating team in BIS. These secondments have been supported by the LGA and mark a first in a “Team UK” approach to negotiations. Kevin will set out his role, how he will engage with councils and the tangible lobbying activities that would support councils’ case in the next few months.

14. One concern expressed by members is that despite the availability of EU funds, some councils do not have the capacity to support applications. At the last Board, members asked for more work to be developed in this area. The East of England LGA now provides a service to councils in its area to support applications. Adrian Cannard from the East of England ELGA will set out their work. Members are asked to consider how this approach could be rolled out in other parts of the country.