

17 September 2012

Item 4

EU Funds update and Brussels lobby, September 2012

Purpose of report

For discussion and direction.

Summary

The report updates members on LGA's work on EU funds to date, and seeks views on issues to be raised by the LGA delegation to Brussels on 17-18 September 2012.

Recommendation

Members are asked to provide views on issues to be raised by the delegation and the future LGA work on EU funds.

Action

Officers to take action as directed by members.

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EU Funds update and Brussels lobby, September 2012

Context

1. The EU structural funds typically support economic and skills development activity, and are regularly accessed by local authorities to help realise local ambitions.
2. The funds are worth over £8 billion to the UK over the 2007-2013 period. Once match-funded the funds represent a total potential investment of 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-supported Rural Development Programme for England. Certain specialist EU funds dealing with research, the environment, and businesses competitiveness are also available. Increasingly the EU is offering loans as well as grants to support regeneration and SMEs.

Background

3. The LGA is leading a major campaign in the UK and Brussels to ensure a more 'local' approach to the funds in the future. The objective is to ensure that councils are able to lead, shape and use these funds in whatever way is most appropriate for their area. This work is led by this Board and lobbying is focused on the 2013-2020 funding package.
4. Whilst local government values the funds, Government is pushing for a reduction in the EU's overall budget meaning there is no certainty about the value of EU funds for regeneration from 2013.
5. In Whitehall, Government has recently concluded its 'informal consultation' on the future of the programmes. There was a strong response from local authorities. Many set out ambitious plans for shaping EU spending around their local economic priorities.
6. The LGA has secured two local authority secondments into BIS, the responsible Government department, to help ensure local perspectives are built into the future delivery arrangements in England. The secondments are a first and are to ensure a strong local-central approach as the future programmes are being developed. The secondees have met with many local authorities across England, including the Board in July. Members may wish to invite the secondees for discussions on the future of EU Funds in their own localities.
7. In Brussels and across Europe the approach on behalf of local authorities is more coordinated than in the past and is showing results. In particular the LGA's alliance with other EU LGA's has secured significant changes to EU rules including:
 - 7.1 new possibilities for local authorities to be closely involved in the design and delivery of the funds;
 - 7.2 stronger rules on governments working in partnership with local authorities;
 - 7.3 greater opportunity for local strategies to help steer delivery; and

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7.4 new opportunities for the involvement of local community groups.

8. The LGA has worked with associations from across Europe to develop a common position and a common set of legislative amendments in the European Parliament to ensure these and other gains for local government feature strongly in the final version of the rules.
9. A range of publications have also been produced to ensure a strong case for a 'local' approach to the funds. The most recent one will be available at the Board meeting.

Upcoming issues

10. Autumn 2012 is a crucial period in determining what the funds will look like from 2014-2020, and what role councils can play in delivering them. LGA will focus on influencing Government's thinking and on influencing the votes due to take place in the European Parliament.
11. Work being planned includes a delegation to Brussels to secure support from MEPs; work to identify and promote future sources of match-funding and a publication with case studies evidencing the benefits of a local approach to delivery.
12. The evidence for the latter piece of work is based on local authorities' own plans for the delivery of EU funds locally after 2013. The stage and detail of thinking varies between places. For instance several same groups of councils have ambitious plans and are looking to manage entire programmes rather than simply apply for funding for individual projects. The EU is promoting this and has created a tool, the 'Integrated Territorial Investment', to make delivery at local rather than regional level more easily achieved.

Delegation to Brussels

13. The LGA delegation to Brussels on the 17-18 September 2012 aims to influence MEPs ahead of key votes in the Autumn in the European Parliament.
14. The delegation is cross party and comprises of councillors from the E&I Board. They are: Cllrs Barnes, Bore, Kemp, Keymer, Flint, Nicholson, Sparks, Wilcox. Carolyn Downs the LGA's Chief Executive will also participate, as will LGA officers.
15. Delegation members have a series of one-to-one meetings with MEPs on the morning of the 18 September, followed by a roundtable discussion with stakeholders and EU institutions in the afternoon. English local and regional Brussels offices, as well as stakeholders from other interest groups, have been invited to participate in the discussion session.
16. The following issues are some which could be raised with MEPs:
 - 16.1 How best to protected investment for regional development in the EU's budget negotiations?
 - 16.2 How best to maximise the take from these funds for local areas?
 - 16.3 How best to embed localism principles into the design, management and delivery of EU funds in England?

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- 16.4 How best to promote the message that councils should play a leading role in the negotiation and establishment of the new programmes and are well placed to do so?
- 16.5 How to ensure councils, including Local Enterprise Partnerships (LEPs) and core cities, realise their place-shaping role by managing the dispersal of EU funds themselves in their own areas?
- 16.6 How to ensure more simplification in the funds and that EU rules enable local partners to better join-up EU funds with other investments in their areas such as the Regional Growth Fund?
- 16.7 What more can be done in the European Parliament to address the issue of a lack of match-funding?

17. Board members are asked to provide views on any other EU funding issues to be raised by the delegation.

18. The delegation will ask MEPs to use their influence in Brussels by supporting LGA amendments in the upcoming votes in the European Parliament. Also MEPs will be asked to promote LGA messages to the UK Government's representation in Brussels (UKRep).

19. MEPs' influence can also be exercised in Westminster during party conferences by committing to meet with MPs and government departments. Finally MEPs will be asked to publicise LGA messages on their websites and use local case studies in the regional media.

20. Key English and Welsh MEPs have been kept up to date throughout 2012 with LGA key messages and voting recommendations on EU funds. Several of the LGA MEP Vice Presidents have been particularly helpful in tabling amendments, or securing local government events in the European Parliament.

21. 'Local Link', the LGA's e-bulletin specifically for English MEPs, has also been launched ahead of the visit to ensure they are informed of the LGA's EU work across all policy areas.

22. A report on the outcome of the delegation to Brussels will be circulated to E&I Board members.

Next Steps

23. Agreement is needed on the legislative package governing the funds at EU level by mid 2013 at the latest if new the programming period is to start on time in January 2014. In previous programming rounds discussions on the EU's budget have overrun and programmes have started with a delay of six months or more. The LGA is pushing for a timely agreement between the Council of Ministers and the European Parliament to ensure local authorities can benefit from the new funding round as soon as possible.

24. Members are asked to consider and comment on any other EU funding issues which should form part of the LGA's ongoing work programme on EU funds in 2013.