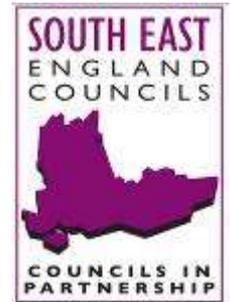


**SOUTH EAST ENGLAND COUNCILS
ANNUAL GENERAL MEETING & ALL-MEMBER MEETING**

Date: 21 June 2012

Subject: **Report of SEEC Europe Task & Finish Group**

Report by: Cllr Gordon Keymer CBE, Task & Finish Group Chairman



Recommendations:

That members:

- i) Note SEEC's work influencing European funding and policy over the last year.
- ii) Agree proposals for SEEC's European work this coming year, with a particular focus on influencing development of the next round of European funding programmes (2014-20) to ensure South East needs and opportunities are addressed.
- iii) Agree that the Europe Task & Finish Group should continue for another 12 months to provide member steer and input for SEEC's work influencing the new European funding programmes.

1. Background

- 1.1 Following agreement of our member Task & Finish Group's recommendations at last year's AGM, I was pleased to progress SEEC's work on European funding and policy issues.
- 1.2 European funding supports a wide range of practical projects in the South East, many supporting economic growth and involving or led by local authorities. However the threat remains that the relatively small proportion of Structural Funds such as the European Regional Development Fund (ERDF, of which we currently get a total allocation of Euro 23.7m under the 2007-13 Competitiveness Programme, less than 1% of the total for England) may be reduced further under new programmes for 2014-20.
- 1.3 Negotiations are progressing nationally and at European level this year for the 2014-20 funding programmes. SEEC has a key role to play ensuring decision makers are well informed about the importance of current and continued European funding post-2014 in the South East given both the scale of challenges (eg deprivation/total numbers unemployed) but also the significant opportunities for economic and business development, which benefit the wider national economy.
- 1.4 Having secured SEEC and local authority membership on the South East's current ERDF Local Management Committee (LMC), we need to press the importance of local government's central role in the governance of post-2014 programmes, ensuring funding is efficiently and effectively targeted to meet local needs and opportunities.
- 1.5 This report recaps on SEEC's work this last year, including effective representations to UK and European decision makers on European funding and other policy issues affecting local government, and our plans for action this coming year. I would of course welcome member comments or suggestions on our proposals.

2. Review of 2011-12

- 2.1 **Structural Funds 2014-2020** - The Rt Hon David Willetts welcomed SEEC's letter to the Government last year in which we explained the need for Structural Funds to continue to be available in the South East once current programmes end in 2014. European and national level negotiations are underway, but there is a long way to go before final programmes are agreed, so we need to continue to press our key messages to decision makers.
- 2.2 To this end, in April this year we responded to a BIS consultation on the new funding programmes. As well as emphasising the scale of challenges that are often masked in the South East, we also promoted the important economic opportunities the South East offers and the importance of local government in governance and steering targeting of funds. More recently we provided input to the Common's Select Committee investigating EU funding. Members also raised key issues around prospects for future funding at an initial consultative meeting arranged by the LGA and the Government in December.
- 2.3 **Reducing burdens** - Through monitoring of policy proposals coming from the EU, we identified that the draft Energy Efficiency Directive's top-down proposals had very serious implications for local government. Requirements for a fixed proportion of publicly-owned properties to be renovated to maximum energy efficiency standards each year were not only at odds with the localism agenda, but also expensive and impractical.
- 2.4 SEEC provided MPs and MEPs with written briefings about our concerns, promoting constructive alternative approaches which were welcomed by decision makers including Energy & Climate Change Minister Greg Barker MP. As a member of the EU Committee of the Regions (CoR) I successfully led the opposition to certain aspects of the draft Energy Efficiency Directive that would have had seriously adverse effects on UK local government.
- 2.5 SEEC also supported the successful campaign to change government proposals, arising from the Localism Bill, to pass EU fines to local government. Furthermore, given the importance of the financial services industry to the South East economy, members will be interested to be aware I led opposition to the CoR support for a Financial Transactions Tax, making amendments to minimise the implications for our economy.
- 2.6 **Governance of current 2007-13 ERDF Competitiveness funding programme** - Having secured SEEC and local government nomination rights, local authority members have provided strong input to the newly-formed South East ERDF Competitiveness Programme Local Management Committee (LMC) which oversees the management and monitoring of the current 2007-13 Euro23.7m funding programme. SEEC's member is Cllr Paul Watkins, and the three local authority members are Cllr Helyn Clack (Surrey County Council, also LMC Deputy Chair), Cllr Alex King (Kent County Council) and Cllr Cec Tallack (Milton Keynes Council).
- 2.7 The last year saw major changes to the administration of the funding programme, moving from SEEDA to CLG. Local government input has been important to maintaining accountable governance and a focus on tangible local impacts. Spend is on track and targets such as job creation are being met. Members have pressed CLG to ensure local partners receiving funding

are not adversely affected by the administrative changes, and asked CLG to monitor spend across the country to assess if any unspent funds could be used to good effect in the South East.

3. Forward Plan 2012-13

3.1 Whilst influencing the next round of European funding programmes post-2014 is of paramount importance, we must also remain alert to tackle policy proposals that may burden local authorities, as well as providing effective input to the governance of current funds. Therefore given the limited resources available to us I propose we focus our work on the following European issues this coming year:

- i. European funding programmes 2014-20:** We must focus on making a strong case for the South East to continue to receive key European funding, in particular Structural Funds, post-2014 and for local government's central role in governance. We will develop a programme of action, engaging with and making representations to decision makers and responding to consultations.
- ii. Reducing burdens:** As well as continuing to promote workable alternatives to current top-down proposals in the EU's draft Energy Efficiency Directive, we will monitor and respond to other major EU proposals that could have negative cost and resource implications for local government. We will encourage moves to give a greater say to, and reduce burdens on, local government.
- iii. Governance of current 2007-13 ERDF Competitiveness funding programme:** Members will use their roles in the governance and steering of the current South East ERDF programme to ensure funding is effectively and efficiently targeted to achieve real impact for local areas. We will focus efforts to ensure full take up of funds by the end of the programme, with at least £4m remaining to be allocated in the South East, and achievement of all key targets that will benefit local communities and businesses.
- iv. Member Task & Finish Group and officer networks:** The member Task & Finish Group held a watching brief this year, having set the direction and principles for SEEC's European work prior to the last AGM. I believe this year the group has a more pro-active role to play, providing member steer to our work and acting as a sounding board for preparing submissions to Government and the EU on the European funding plans. I therefore request SEEC's agreement to extend the group's life for a further year. We will also draw on local authority and LGA European officer expertise through informal networks.
- v. Committee of the Regions:** Through my membership of the European Committee of the Regions I will ensure SEEC members' views are heard by decision makers, including our key messages regarding future funding opportunities, and that SEEC members are kept aware of actions required to tackle burdensome EU policy proposals.
- vi. Funding information:** We will continue to monitor funding opportunities and share relevant information with members. Members are also reminded that the LGA provides detailed European funding updates, available via its website.