

**SOUTH EAST ENGLAND COUNCILS  
ALL-MEMBER MEETING**

Date: 8 November 2012

Subject: **European Funding 2014-2020 - prospects for the South East:**

- a) Richard Ashworth MEP, Conservative Leader in the European Parliament, Budget Committee member and MEP representing South East England.
- b) Sandra Turner, EU 2014-2020 negotiation team BIS.

Report by: Nick Woolfenden, SEEC Head of Policy Co-ordination

**Recommendations:**

Members are asked to:

- i) Welcome updates from our speakers on latest progress towards establishing European funding programmes for 2014-2020.
- ii) Share examples of how current European funding is benefitting their areas and actions underway to shape new programme arrangements locally.
- iii) Identify key actions for SEEC and local partners to take forward now to maximise the European funding opportunities in the South East post 2013.

**1. Introduction**

- 1.1 Current European Structural funding programmes finish in 2013 and development of new programmes is progressing at EU and national levels. Funds include European Regional Development Fund (ERDF), European Social Fund (ESF) and agricultural and fisheries funds (EAFRD & EMFF).
- 1.2 There are some concerns the South East may not be seen as a priority target for new programmes. Members have previously made clear SEEC's policy is that:
  - Future funds must be available to all parts of the South East, to tackle economic challenges and to seize opportunities for maximum return on investment where there is potential for strong growth.
  - Local authority involvement is critical to ensure local accountability and effective targeting and monitoring of funds.
- 1.3 The South East receives a small proportion of current UK Structural funding but it is very important to addressing economic and social needs and opportunities. Although the South East was allocated just 1% (£20m) of all UK ERDF Competitiveness funds under the 2007-13 programme, this is important to a number of projects supporting sustainable economic growth. Without this money these projects would be unlikely to happen.
- 1.4 Today's speakers will update members on progress towards agreeing the new programmes at European and UK levels, and opportunities for local authorities to influence decision-makers. Members are invited to identify examples of how European funding is currently benefitting their areas, what actions are underway to help shape new programme arrangements locally, and ways in which SEEC could help member authorities and other partners making the case for future funding opportunities.

## **2. European negotiation and issues**

- 2.1 We are pleased that Richard Ashworth MEP will be updating members on progress towards agreeing the new programmes in Brussels.
- 2.2 Key issues include final negotiations on the EU Budget, which will be critical to determining the total level of funding available across Europe. The EU-wide priorities for new programmes, including greater integration between funds and their relevance to the South East, will also influence the funding opportunities available. For example the requirement for a focus on cities is a potential constraint for the South East given our lack of core cities. Moves by the UK government to use LEPs or other areas as the basis for future programmes, rather than former Government Office regions, may also raise issues for EU decision-makers.
- 2.3 Once the Budget is agreed, Structural Funding will be distributed by country broadly based on relative economic performance (GDP). SEEC has already made clear its view that this is a very limited way of assessing the real levels of need and opportunity across areas as large and diverse as the South East. Whilst changes are unlikely in the near future, SEEC will continue to make the case for a broader evidence-base to underpin funding distribution.

## **3. Progress in the UK**

- 3.1 We welcome Sandra Turner from BIS who will update members on the national position. BIS is leading cross-departmental UK negotiations to develop a Partnership Agreement by 2013 which will set out the UK's priorities for allocating the Structural Funds. BIS is holding Roadshows in November/December, prior to consultation on the draft Partnership Agreement in spring 2013.
- 3.2 Government wants to ensure local influence in the new Structural Fund programmes. Alignment with national priorities will also be necessary to maximise impact and availability of match funding. The EU also expects greater alignment between the different Structural Funding programmes to maximise benefits. The Government is keen to hear from local partners about practical ways to achieve these goals.
- 3.3 BIS has informally indicated that it does not expect the former regions to be the building blocks for new programmes. Suggestions for the future include national programmes plus a limited number of sub-national programmes possibly based around LEP groupings. BIS is keen to receive input from local areas on key priorities for funding and the partnership arrangements that would best deliver them.
- 3.4 Some SEEC member authorities, working with partners such as LEPs, are already developing propositions to share with government. Across the country such proposals vary considerably, reflecting local priorities as well as local capacity to take on onerous programme management responsibilities and financial risks.
- 3.5 Members are invited to share progress on shaping local proposals and further action needed now, as well as identifying how SEEC could best support them in making the case for locally-responsive programmes.