

## EU Funding Update

South East Executive, London

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## **European Structural and Investment Funds (ESIF)**

- **European Structural and Investment Funds (ESIF)** supports the **economic, social and environmental needs of member states** through funds (grants) and financial instruments (loans and equity investments).
- For **spending period 2014 and 2020**, UK's allocation is **€16.4bn** , England's allocation is **€6.5bn across 39 LEP areas (LGA lobbying win)**.

However...**we are still debating the how and who**. i.e. how individual projects will be chosen, how funds will be allocated and the role of local partners.

## Detailed allocation of ESIF Funding for the eight LEPs that fall entirely or partly in the SouthEast.

- **Buckinghamshire Thames Valley €13.8**
- **Coast to Capital €67.0**
- **Enterprise M3 €45.5**
- **Oxfordshire LEP €19.3**
- **Solent €42.9**
- **South East €185.1**
- **South East Midlands €87.9**
- **Thames Valley Berkshire €28.5**

## **European Structural and Investment Funds (ESIF)**

- **European Regional Development Fund (ERDF) - CLG**
- **European Social Fund (ESF) - DWP**
- **European Agricultural Fund for Rural Development (EAFRD) - DEFRA**
- **European Maritime and Fisheries Fund (EMFF) – DEFRA**

## Thematic Objectives

For 2014-2020, local partners in Local Enterprise Partnership have identified (priority axes) which are priorities for investment that reflect the needs of their areas within the overall strategic guidance of HMG:

- ***Priority axis 1: Research and innovation***
- ***Priority axis 2: Enhancing access to, and use and quality of, ICT***
- ***Priority axis 3: Enhancing the competitiveness of SMEs***
- ***Priority axis 4: Supporting the shift towards a low carbon economy in all sectors***
- ***Priority axis 5: Promoting climate change adaptation, risk prevention and management***
- ***Priority axis 6: Preserving and protecting the environment and promoting resource efficiency***
- ***Priority axis 7: Sustainable transport (Cornwall and the Isles of Scilly only)***
- ***Priority axis 8: Sustainable transport in transition regions***
- ***Priority axis 9: Promoting social inclusion and combating poverty and any discrimination***
- ***Priority axis 10: Sustainable urban development***

## Growth Programme Board (GPB)

- The GPB was established to bring representative bodies together to make decisions on arrangements for England's £5.3 billion ESIF for 2014-2020.
  - The Board will also serve as the formal Programme Monitoring Committee (PMC) for ESIF in the UK.
  - LGA representation to ensure EU funds are more effectively managed, more reflective of local needs and have less rules and restrictions from Brussels and Whitehall
  - LGA representatives on the GPB are Cllr David Sparks (LGA Chair), Cllr Sir Albert Bore (Birmingham) and Cllr Ian Stewart (Cumbria).
  - We work closely with LEP Network members including Cllr Sir Richard Leese (Manchester LEP) and business representative Chris Pomfrett (Cornwall and the Isles of Scilly LEP).
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## ESIF business process (BP) developments...

- i. LGA's instrumental role in securing **greater local say in the design and delivery of England's EU funding programmes** inc: 39 Local Enterprise Partnerships across England, **each with their own local plan for EU funds, a notional local allocation, and each with their own committee to advise on which EU projects should be funded locally.**
  
  - ii. LGA Brussels Facing Work: **HMG must work in partnership with councils, paved the way for EU mechanisms such as Integrated Territorial Investments (ITI) and Intermediate Body (IB)**
  
  - iii. **Close collaboration with successive Ministers** in line with HMG devolution commitments
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## However...

- i. **U-turn on localism** - Recent ministerial decision (Lord Ahmad, Feb 2015) limits local partner's role in the BP, now only able to provide 'advice' but will not have any formal powers of project selection.
  - ii. **s7 of the ESF and ERDF OP** deals with managing authorities and local partners' roles and responsibilities has been substantively rewritten. Local partners' role significantly 'downgraded'.
  - iii. **“Very disappointing!”** We are concerned that this decision will reduce the effectiveness of the funds, local business may walk away from the table and limit the scope for Technical Assistance (TA)
  - iv. **“U-turn on localism...goes against the grain of devolution”** – HMG blame EU bureaucracy, however formal devolved arrangements local bodies are well established across other Member States.
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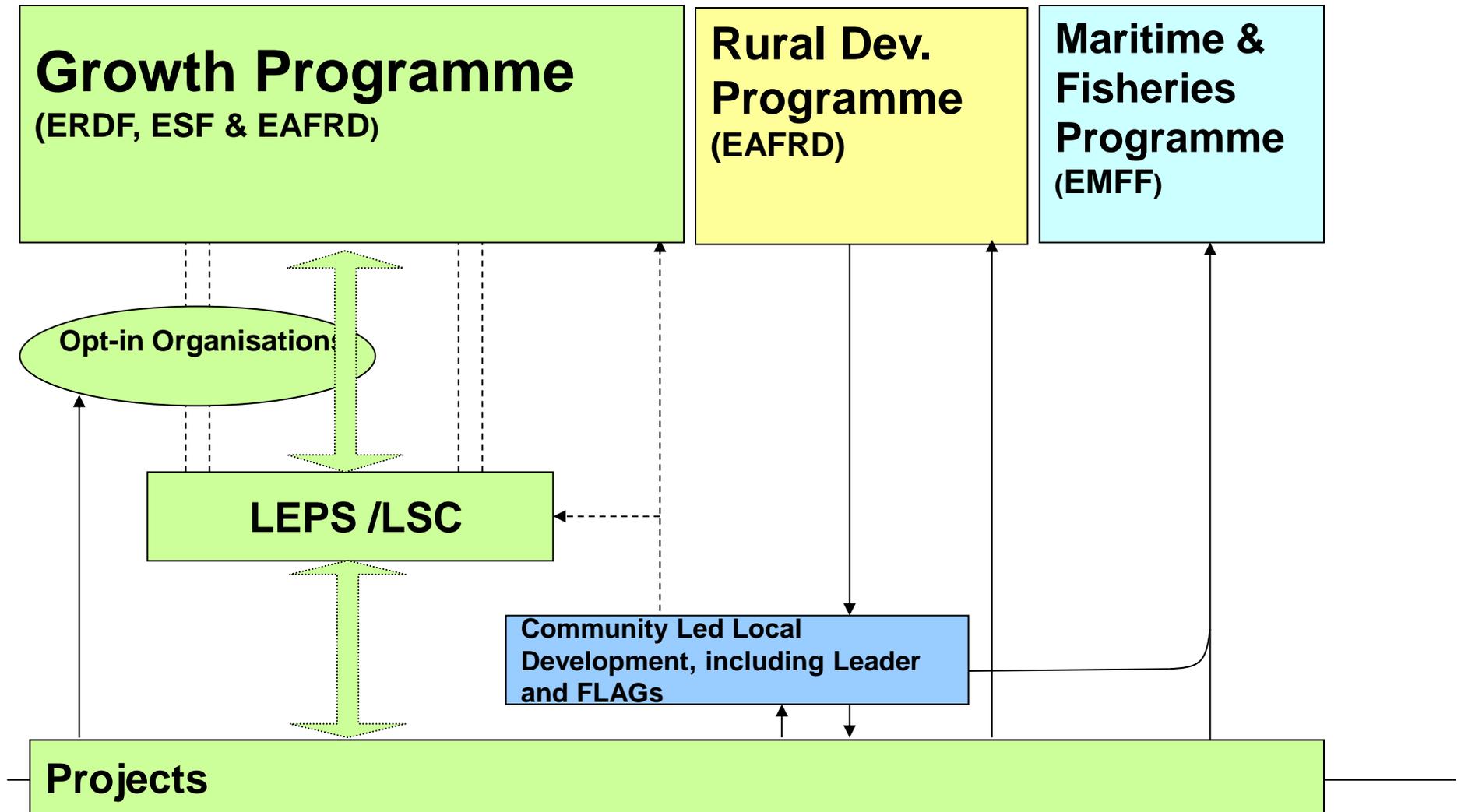
## Current state of play...

- i. LGA calling on HMG to **reverse its decision**. This includes: **Letters, PQs, Media (Press release and FT article)** and **Brussels work**.
- ii. LGA want “**Meaningful devolution of decision-making powers**”
- iii. Also calling for local ESIF committees to be “**fully and systematically consulted by HMG on all projects happening in their local area (to check the project truly meets local needs)**” as well as for “**local ESIF committee activities to be fully supported with TA**”
- iv. HMG is expected to **issue more detail on the exact process and the role of local partners shortly**. LGA has been working on this with the GPB and local advisors networks.

**More details at next GPB (19 March 2015)**

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## 2014-2020 ESIF Growth Programme - organisational chart



## Key questions...



## How to apply...

There will be a national call for 'expressions of interest' for projects to come forward. application processes are completed online (<https://www.gov.uk/european-structural-investment-funds>)

Applications will be judged by Managing Authorities against certain selection criteria including:

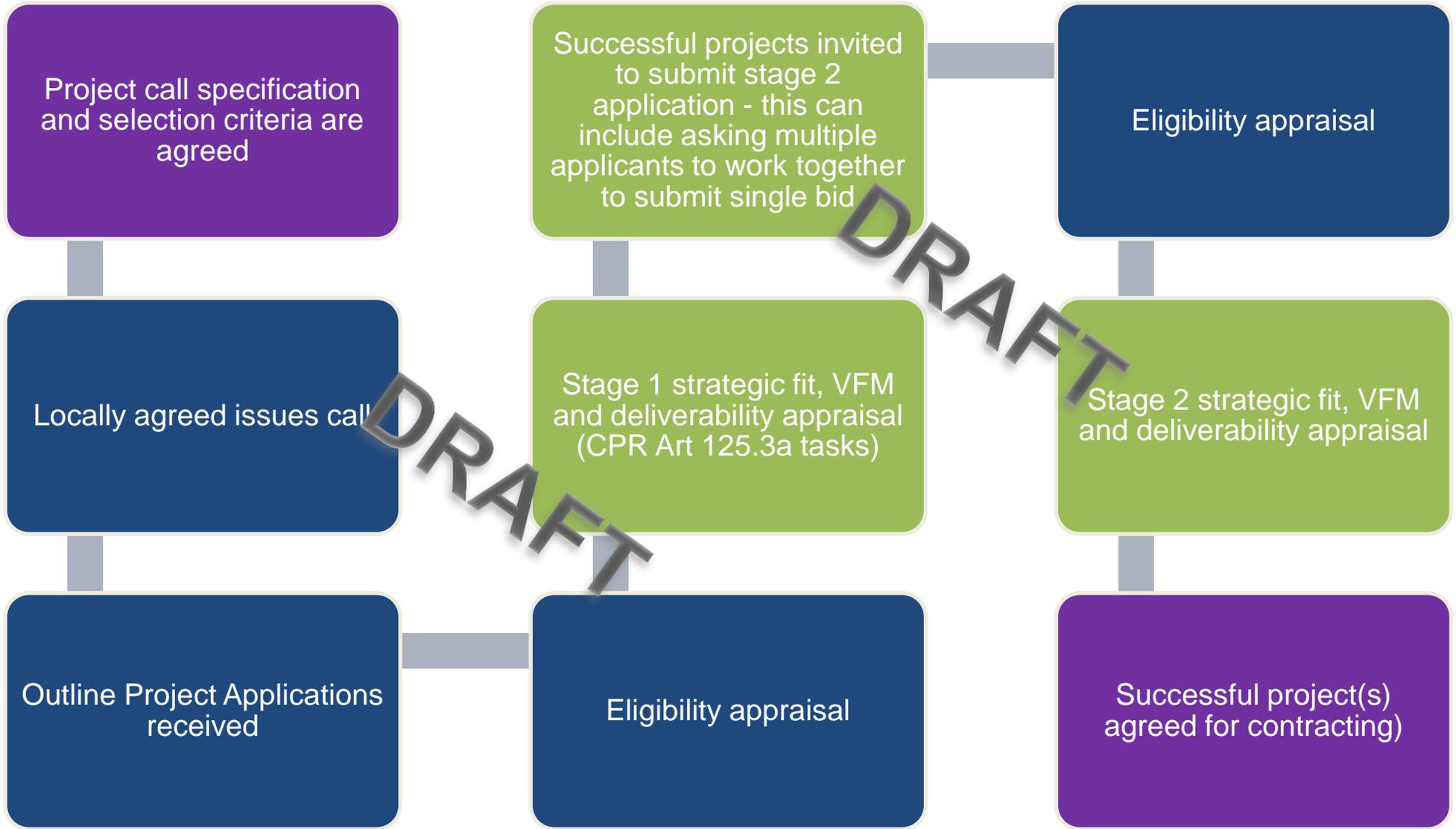
strategic fit

- value for money
- management and control
- deliverability
- compliance – procurement, State Aid, publicity requirements, eligibility rules
- cross cutting themes

Project ideas must also fit with the local ESIF

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# ERDF and ESF 2014-20 Project call (example tbc)



## Summary...Access to funding

- **European Funding open to wide range of stakeholders**
  - **Applications are not easy**
  - **Each submission is different**
  - **Scope out the project, aims, work packages, budget and identify partners early (Make sure all your partners are financially viable)**
  - **Speak to your LA / LEP European Funding Specialist...now**
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## 11. Thank you for listening

### **Further Resource and Contacts:**

- [www.local.gov.uk/eu-policy-and-lobbying](http://www.local.gov.uk/eu-policy-and-lobbying)
- [russell.reefer@local.gov.uk](mailto:russell.reefer@local.gov.uk)

### **Coming Soon:**

- “Structural Funds and beyond 2014-20: A guide to EU funding for local authorities”  
(LGA, 2015)
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