

Black Country European Investment Strategy

Ward(s) All

Portfolios: Cllr A Andrew – Deputy Leader and Regeneration and Transport

Executive Summary:

Introduction

The New European Union (EU) funding programmes of: European Social Fund (ESF) and European Regional Development Fund (ERDF) will be different to all previous programmes.

The UK Government has decided to devolve as much funding as possible down to local level, which for us means: devolution to the Black Country Local Enterprise Partnership (BC LEP), who will for the Black Country receive almost £152m over the 2014 – 2020 operational period.

In the past EU funding was also co-financed centrally with government bodies including; the Skills Funding Agency (SFA) and the Department for Work and Pensions (DWP), this approach has been replaced by an Opt-In programme at local level.

The difference for all local bodies is that: If your initiative, programme, sector or work strand is not included within the BC LEP's EU Investment Strategy, then you will not have the ability post 2013 to access the new round of EU funding moving forward.

The Black Country LEP's Role and Remit

Local Enterprise Partnerships (LEP's) are responsible for designing and delivering strategies on how best the new round of Structural and Investment Funds for 2014 - 2020, in the context of their Strategic Economic Plans (which are also under development). Once the EU Investment strategy is accepted the Black Country LEP will receive an allocation (for us £152m) to be spent within its area in line with a set of overarching priorities set out in the EU regulations. Government may also set out additional local conditions to be met for each local LEP.

Local Enterprise Partnerships (LEP's) will not manage funds, but will be responsible for ensuring outcomes are delivered by working with a range of local partners.

Their responsibilities are:

- Developing and approving an EU Investment Strategy for the Black Country, which will secure access to the EU funding and set out proposed spending priorities, allocations and interventions / projects etc.

- Developing projects to deliver the strategy, using a mixture of commissioning, bidding and commissioning to involve a wide range of economic, social and environmental partners (including the civil society). Guidance stresses that grassroots and community based programmes are important, and should be formed at a very local level.
- Secure and detail the match funding (some of the match will come from national government. Locally government expects some of the match to come from the private sector)
- Ensure projects deliver targets
- Ensure allocations are spent on time
- Monitor delivery against strategies and programme priorities

EU Thematic Priorities are:

- Innovation, research and technological development
- Support for small business
- The low carbon economy
- Skills
- Employment
- Social inclusion - including tackling poverty

Key Constraints Placed on the Programme by the EU Include:

- At least 80% of ERDF must be spent on Innovation, ICT, SME competitiveness, low carbon economy
- At least 20% of ERDF must be spent on low carbon economy
- Up to 20% ERDF can be spent on climate change adaption, environmental protection and sustainable transport
- 20% of ESF allocation must be dedicated towards the social inclusion objective (but ERDF expenditure can count towards the total)

The process must:

- Deliver a strategy that strongly aligns national priorities and supported the LEP's own local plans for growth
- Involve a range of partners, including local business representatives, universities, the civil society sector
- Must promote social inclusion and tackle poverty
- Present a compelling and integrated strategy, avoiding the compartmentalisation of thematic objectives and funds.

Content to be covered in the First Draft of the EU Investment Strategy:

The first draft of the strategy is required by Government by the 7th October 2013, we have successfully met this deadline and a copy of this draft is attached as Appendix 1.

It covers the following elements:

- Analysis of development need and growth opportunities with reference to both the thematic objectives and also the local geographies
- 7 year breakdown of the proposed spend across thematic objectives
- A description of the main outcomes for each thematic objective
- A description of indicative proposals for Community led Local Development initiatives

Reason for scrutiny:

The Submitted EU Investment Strategy sets out the direction for the next 7 years of the EU programme, whilst it's still in draft form, Scrutiny Panel is asked to take part in its on-going development, by understanding its direction and content, adding value and scrutinising as appropriate.

The aim is to assist in making the final draft, required by Government at the end of January 2014 as robust and reflective of Walsall's needs and requirements as possible.

Scrutiny panel will build on the previous work and continue to advise on and monitor progress.

Recommendations:

That Scrutiny Panel members;

1. Note the contents of this report and the attached Draft EU Investment Strategy, commenting and scrutinising as appropriate.
2. To support the development of strategy against the EU Thematic Priorities listed in this report, asking officers to report back on key issues and its development prior to its submission in January 2014

Background papers:

EU Investment Strategy – October Submitted Draft – Attached as Appendix 1

Resource and legal considerations:

None

Citizen impact:

None

Environmental impact:

None

Performance management:

None

Equality Implications:

No

Consultation:

Wide ranging Black Country wide consultation as set out within the Draft EU Investment Strategy.

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