

Third Sector Consultation Event, Tuesday 20th August, 13:30-16:30pm

Background Briefing European Funds for Lancashire 2014-20

EU Funding

The next round of European Funding is now being negotiated. This will cover the calendar years 2014-2020 (but spend can continue to 2023). For Lancashire, the amount allocated is about £230 millions. The Voluntary and Community Sector, including Social Enterprises are expected to be involved with the negotiations, and in delivering a good quality programme.

The money is for Social, Economic and Territorial Cohesion - this means it is to support those areas and people that are not doing so well. It will have to show how it will deliver jobs, more enterprises, and increased turnover. Lancashire has a special status as a Transition Area (its GDP is low), so this is about transforming the economy.

The Funds are to deliver Smart, Sustainable and Inclusive Growth, as described in the Europe 2020 Strategy.

The European Commission has already said that it wants to put the Social Economy and Social Innovation at the heart of it work under the Europe 2020 Strategy.

The UK government will run this programme. Negotiations are lead by BIS (Business Innovation and Skills), supported by DWP (Department for Work and Pensions) and DCLG (Communities and Local Government). The intention is that the Government will “hide the wiring” so it is simpler to operate. Much of the decision making is delegated to the 39 LEPs. So in Lancashire, the local LEP is preparing a European Strategy to say where it wants the money spent, and what outputs and results will be delivered.

Consultations

Last November, BIS announced that LEPs would be leading on the European Strategies. It ran roadshows and then issued guidance to the LEPs in April. Supplementary Guidance was issued in July.

The LEPs were originally set up as local “light touch” groups led by the Private Sector, but they are changing. BIS has explained to the LEPs that the rules for European Funding means that they must have a Partnership. They have to work with, amongst others, Civil Society, environmental interests, and equality and non-discrimination bodies. They have also explained that the money is for Smart, Sustainable and Inclusive Growth.

The European Strategy from the LEPs has to be with BIS in London by 7th October. This means it has to be written in August, as it will take much of September for the final document to go to the various bodies for local agreement. So we do not have much time for the consultation.

Key Areas

More of the same will not work. To tackle the problems of the banks, climate issues, and unemployment, we have to do more.

There are ten European Themes that will be used in England, and there are some rules for minimum amounts per theme. Key areas are support for enterprises (SMEs), ICT, Innovation, and the move to a Low Carbon Economy, as well as support for the unemployed and employed to increase their skills and knowledge for work.

40% of the funding should go to ESF (European Social Fund - mainly training courses and support for individuals), with the other 60% for ERDF (European Regional Development Fund - a mix of capital and revenue). At least 20% of ESF has to be spent on inclusion.

“Match”

Europe does not provide all the money - part has to come from England. This could be existing central and local government funding, own resources, and charitable funds. Local Growth Fund is available for match, and also money from Skills Fund Agency and the Lottery. EU money is not to replace other money - it is to provide additional resources, to deliver more (or better).

In this new Programme, there is a document listing six Opt In programmes (might be more later). The LEP has to decide if it wants to Opt in to these programmes, and how much money to allocate. For example, the Lottery will be providing match using its existing network of local and national funds and advisers - this can be doubled with EU money, with the Lottery “hiding the wiring” by making the processes simpler (applications, spending and reporting).

Most parts of England have match at 50% (ie 50% from Europe and 50% from England). Transition areas can go up to 60% from Europe (and an extra 10% from Europe for Community-led Local Development), but it is not clear if this will be requested.

Opportunities for the Sector

The Sector has a great deal of experience of delivering ESF for training (both for employed and unemployed). The new programme will be a mixed economy for ESF (Skills Funding Agency in its Opt In Prospectus says it will not use a prime contractor model unless the LEP asks for this). The Sector has also had experience of funding to support social enterprises, and for environmental improvements, and community led developments, as well as the conversion of buildings (perhaps to provide some incubation units for new enterprises). There are also opportunities for Social Innovation. A new Financial Instrument is being developed, which will lead to a local fund to support Social Enterprises with loans, linked to other contract readiness support - if Lancashire wants it.

Act now

Now is the time to be involved. The LEP is working to tight deadlines. They have to listen to Civil Society and Social Enterprises, but they have to produce a document which has general agreement for the deadline- so they want clear comments from the Sector (and perhaps help with drafting or explaining parts of the strategy, or providing best practice examples).

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