

Welcome to a special bulletin from Network for Europe, rounding up the latest information on the proposed Structural Funds regulations for 2014-2020.

Proposals for 2014-20 European Funding in England

This report is based on attending the first BIS Roadshow in Birmingham on 21st November 2012 and is intended to convey initial impressions. The dozen roadshows will demonstrate broad brush proposals, subject to further discussion and more detailed work. They finish in Preston on 17th December, then there will be a more formal consultation in the first half of 2013.

Headlines

The four funds will be run nationally, but linked together. There will be substantial devolution to LEP areas, with notional allocations of funding for each one. Match funding can be both national and local.

Multi-funds

Under the umbrella of the Common Strategic Framework, we have European Regional Development Fund (ERDF), European Social Fund (ESF), European Agricultural Fund for Rural Development (EAFRD) and European Maritime and Fisheries Funds (EMFF). They will be run by central (English) Managing Authorities. Much of the money will combine to form the EU Growth Programme, but there will be other Programmes.

EU Growth Programme

There will be a national EU Growth Programme Board (similar to a Programme Monitoring Committee/Local Management Committee, but perhaps smaller). This will cover much of ESF and ERDF, and some EAFRD, with links to EMFF. It will operate as if it was one pot, with Central Government 'hiding the wiring' - and with simplified processes (forms, eligibility, State Aids etc).

Thematic Steering Groups

These would likely cover Innovation, Enterprises (SMEs), Skills, Low Carbon and bring together appropriate specialists (possibly like ESF-ITM thematic groups in the current programme)

CSF Area Growth Teams

Officials from the various government departments, operating at regional level, will support the programmes (like a subset of the old Regional Government Offices, but very much smaller). They would support the LEPs in the development and delivery of projects and oversee management of the funds.

LEP level

The LEPs are the fundamental building blocks of this proposal. Each would prepare a strategy which would include identifying what funding is available locally or nationally. Each LEP will have an indicative allocation for the whole seven years (presumably based on population, unemployment, GVA). Progress will be reviewed yearly, and funding could be re-allocated. Each LEP is different, and there may well be cross LEP working.

We could identify three possibilities here.

- *A handful of LEPs will prepare a fully developed strategy, involving all the Partners, relevant to both Europe and the local area, and will get substantial devolution, perhaps operating as an Integrated Territorial Investment (ITI).
- *Other LEP areas will prepare a consistent strategy, operating with partial devolution.
- *Then other areas, perhaps where European money is less important, might have combined LEPs or cross-LEP co-ordination.

There was general agreement at the meeting that these proposals will be challenging for many LEPs, and that if they were to accept this role, they would need to make changes (not least a proper involvement of the Third Sector, including Social Enterprises), but that with support, the LEPs could harness local drive and dynamism to support effective, efficient European Programmes.

Local Funds.

Match will be available nationally and locally (LEPs would identify this in their strategies)

At a national level, the funds available have to be spent and claimed within two years of the budget for that year (N+2 de-commitment). In the next programme, Financial Instruments will be committed annually, so encouraging actual spend. LEPs will therefore be encouraged to keep to the spending targets, although decommitment will be managed nationally.

What was missing or unclear?

Obviously much of the detail is still to be worked up. And the balance between local and national is still to come.

No mention of **Transition Areas**. This won't get a mention until after the seven year budget (MFF) is approved in Brussels, which could be early next year. There could be another National Programme for these areas, again with delegation (potential up to 60% from Europe, rather than up to 50%).

Very little on **Financial Instruments** (which could be large in the next programme), nor any indication of whether these would be better operated at local, national or european level. This is of particular relevance to VCS and Social Enterprise organisations with interesting proposals being worked up.

Community-led local development was on the slides, but seems to be most developed under EAGGF. There is a big opportunity to develop this form of partnership working using ESF and ERDF, as in other countries.

Nothing on Social Risk Capital (**Community Grants**) for ESF.

Social Innovation - nothing on this, and little on Research, Development and Innovation.

Social Enterprise - very little, which is surprising given the Social Business Initiative, strong support from Europe and the UK's good track record.

Nothing on **evaluation** and monitoring - agree this is a broad brush presentation, but experience shows that if evaluation isn't built in at the start, then programmes are much less effective, and appraisal takes longer.

Nothing on **cross cutting themes** such as sustainability, diversity, gender - are these now embedded?

Underlying

This could be a dramatically simplified programme. The Managing Authority hiding the wiring - strong devolution for the LEPs to set a strategy and deliver against it, plus incentives to spend.

But it could get horribly complicated again - we now have time to put together simple effective programmes for the coming years. We have to work together in partnership.

Links

Read the Heseltine report for a flavour of simplified European Funds and local delivery:

<http://www.bis.gov.uk/heseltine-review>

Read the BIS press release here:

<http://news.bis.gov.uk/Press-Releases/Government-discusses-new-approach-for-EU-funding-683ad.aspx>

View the presentation delivered at the BIS roadshow, here:

<http://www.networkforeurope.eu/files/files/Bis%20Roadshow%2021.11.12.pdf>

The structural funds exist to deliver economic, social and territorial cohesion. They are the principal means to deliver Europe 2020 - smart, sustainable and inclusive growth.

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