

**REPORT TO:** Employment Learning and Skills and  
Community Policy Performance Board

**DATE:** 10<sup>th</sup> November 2014

**REPORTING OFFICER:** Strategic Director Children and Enterprise

**PORTFOLIO:** Economic Development

**SUBJECT:** European Programme 2014-2020

**WARD(S)** Borough-wide

## 1.0 **PURPOSE OF THE REPORT**

1.1 The purpose of this report is to provide an update on the European Structural and Investment Funds (ESIF) Programme for Halton 2014 to 2020 and to advise on the processes that the Local Enterprise Partnership (LEP) is coordinating to support the implementation of the programme.

## 2.0 **RECOMMENDATION: That:**

2.1 Members note the update on the European (Structural and Investment Funds) programme 2014 – 2020.

## 3.0 **SUPPORTING INFORMATION**

3.1 Members have previously received a presentation on the key elements of the European Structural and Investment Funds (ESIF)/ European Programme, and the priorities and themes that have been developed by the Council and partners.

3.2 This resulted in Halton preparing a 'position paper' aimed at presenting to the LEP how Halton could contribute to the delivery of the European Programme (Appendix 1).

The governance arrangements for the programme have now been agreed by Government and these arrangements are outlined in more detail in (Appendix 2).

### **Key Points**

- The first meeting of the EU Sub-Committee, which will oversee the programme in the City Region has taken place. Councillor Dave Cargill is one of three representatives of the Liverpool City Region Combined Authority on this Sub-Committee.

- A technical officer group known as the EU Delivery Group sits below this group.
- A LEP led EU Pre-Launch event is planned for 8<sup>th</sup> December to provide more details on the bidding process including: timetable, requirements, project details.
- A series of bidding calls based on themes will be announced commencing in January 2015.
- It is anticipated that project approvals will commence in September 2015.
- An 'Opt-In' model has been developed to allow LEPs and their partners to join national organisations, such as Growth Accelerator, UK Trade and Investment (UKTI), The Manufacturing Advisory Service (MAS), Department for Work and Pensions (DWP), Skills funding Agency (SFA) and The Big Lottery Fund to deliver key priorities. By opting-in to a service offer from a national organisation a LEP commits part of its European allocation to the programme and the 'Opt-In' organisation will match fund the service and provide administrative support.
- LCR LEP representatives are working with the 'Opt-In' agencies described above to develop a 'roles and responsibilities' document, which will define how much LCR European Funding will be set aside for each 'Opt-In' and what type of provision LCR wish to buy.

## **Issues**

- The Partner update that was released by Government in August is vague and not detailed enough at this stage. See appendix 2 Indicative timetable from National Government.
- No papers have been released on services Opt-In's will deliver.
- There are some budget restrictions as money cannot be moved between thematic objectives (although there will be a mid-term review in 2018 which may provide opportunity to do this) but can be moved between years provided that spend is moved forward and not pushed back.

## **Next Steps**

The next steps for Halton are as follows:

- Representatives to attend all relevant meetings, EU Sub-Committee monthly meetings (Delivery Group monthly meetings (initial meeting due 16<sup>th</sup> September) and LEP Core Team fortnightly meetings.
- Continue to work with partners to identify and agree suitable projects.
- External Funding Team and Portfolio Leads to identify potential match funding opportunities in order to maximise the benefit to Halton that the European programme provides.
- Any commitments identified as potential match funding utilising Council resources, would ultimately need to be brought back to the Council's Executive Board for consideration.

### **4.0 POLICY IMPLICATIONS**

4.1 This is in line with the Council's Corporate Priorities and with the requirement to lever as much external funding as possible into the borough to support the communities of Halton.

4.2 It is proposed that the Operational Director for Economy, Enterprise and Property will take the lead on the day to day management of the programme and will be supported by the External Funding Team who will offer a borough-wide service helping with application writing, funding claims and the ongoing monitoring.

Whilst Halton has an allocation it is imperative that all Halton's applications are realistic and robust and meet the eligibility criteria and that they are underpinned by a comprehensive monitoring system.

It is therefore, anticipated that additional support will be required from the Council's Internal Audit and Accountancy Divisions.

### **5.0 OTHER/FINANCIAL IMPLICATIONS**

5.1 Further information will be released in the next couple of months. Therefore, further reports will be provided.

## 6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

### 6.1 **Children & Young People in Halton**

There is a significant opportunity for the EU programme to benefit all of the Council's priorities. Specific projects will be developed to support Children and Young People, targeting the resources where they are most needed.

### 6.2 **Employment, Learning & Skills in Halton**

Overall the EU programme will assist in providing job opportunities for local people and will go some way in addressing the level of unemployment in Halton. The projects being developed will support the local economy, local businesses and the local community which in turn will skill up Halton's workforce and create more jobs locally.

The relevant key challenges which LCR wishes to use EU funding to help address are:

- Economic competitiveness: £8.2bn output gap
- Business base: deficit of 18,500 businesses
- Economic activity: deficit of 35,000 economically active working age individuals
- Employment: deficit of 46,200 people in employment
- Skills base: deficit of 82,000 individuals holding NVQ4 qualifications, 32,600 more individuals with no qualifications
- Job creation: need for 90,000 additional jobs

### 6.3 **A Healthy Halton**

The EU programme will promote healthier communities through jobs opportunities, the development of green transport and housing initiatives.

### 6.4 **A Safer Halton**

The EU programme will complement the initiatives of the Mersey Gateway Regeneration Strategy and the good work of the Police and Community Safety and through its projects look to reduce the fear of crime.

### 6.5 **Halton's Urban Renewal**

The EU programme will act as a catalyst to attract developers and new businesses to the area by creating an attractive, well-accessed and serviced area, which provides a safe and attractive environment for employees and visitors.

## 7.0 **RISK ANALYSIS**

- 7.1 There is some risk that the Council and its partners will not be in a position to access the EU grant funding if it cannot source the match funding required.

## 8.0 **EQUALITY AND DIVERSITY ISSUES**

- 8.1 It is anticipated that reference to Equality and Diversity principles will be a prerequisite for any funding available. In fact, the theme 'Inclusive Economy' focuses on supporting disadvantaged either to enter into the work place or remain in the work place.
- 8.2 European Regulations governing use of the ESIF require that all activities supported using ESIF must be committed to following the framework of Public Sector Equality Duty.

Halton must ensure that activities have due regard to equality and are able to promote the three elements of that Duty: eliminate unlawful discrimination, advance equality of opportunity and foster good relations. The equality duty covers the following nine groups with protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

## 9.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None

## Glossary

<p><b>European Structural and Investment Funds (ESIF)</b></p>	<p>The European Structural and Investment Funds are provided for investment by member states of the European Union to reduce differences in economic performance within and between the member states. The European Structural and Investment Funds available to the United Kingdom in 2014 – 2020 comprise the:</p> <ul style="list-style-type: none"> <li>▪ The European Regional Development Fund (ERDF) supports businesses to grow and to create new businesses.</li> <li>▪ The European Social Fund (ESF) supports people to gain skills and qualifications to gain employment and prioress in work.</li> <li>▪ The European Agricultural Fund for Rural Development (EAFRD) supports rural areas.</li> </ul>
<p><b>Programme Monitoring Committee</b></p>	<p>The Programme Monitoring Committee (PCM) is responsible for monitoring the implementation of the Operational Programme. PMC's are made up of representatives of government and key stakeholders. A single PMC, the Growth Programme Board will be established covering ESF and ERDF. The EAFRD and EMFF operational programmes will have their own PMCs but elements of these funds will be taken forward in conjunction with the Growth Programme Board to ensure activities area aligned and make the maximum contribution to local growth.</p>
<p><b>LCR EU Sub-Committee</b></p>	<p>Government is committed to the principle of localism and giving local organisations greater control over ESIF investment. As part of this each Local Enterprise Partnership area will convene an EU Sub-Committee, which will be a sub-group of the Programme Monitoring Committee. The committees will work with the Managing Authority to ensure that the investment of ESIF is in line with local priorities. The committees will have members drawn from a range of sectors and interests including the public sector, the private sector and the voluntary and community sector.</p>
<p><b>Community Led Local Development</b></p>	<p>Community Led Local Development will be focused on the specific needs and opportunities of a particular area, usually much smaller than the average Local Enterprise Partnership, and typically through small local community projects. It could be related to a particular theme, such as urban mobility, local energy plans or labour market issues, or to a particular target</p>

	group, such as young people or migrants. It can be used across urban, rural and coastal areas.
<b>Opt-In's</b>	National, government-funded programmes are a key source of match funding for ESIF funds. In the 2007-2013 ESIF programmes almost all of the ESF activity has been managed by national public bodies that have used their own budgets to provide match funding for ESF and procured provision. For the 2014-2020 period, government has decided that automatically top-slicing ESIF to match national programmes will be minimised. Instead Local Sub-Committees will be given the opportunity to allocate some of the ESIF allocation to their area to national bodies who will provide match funding and work with the committee to agree how this is spent to best meet local needs. This process is known as an 'Opt-In'.

Appendix 2

**European Commission**

**UK Government / Managing Authority**

**Growth Programme Board (GPB) for England**

(Once approved by the European Commission this will be called **Programme Monitoring Committee (PMC)**)

*The Board will be chaired by BIS and have members from DCLG, DWP, Defra, European Commission, LEP representatives, Local Government representatives, National Council for Voluntary Organisations, Federation of Small Businesses, Higher Education Institutions representatives, Leader/Community Led Local Development, Greater London Authority, British Chambers of Commerce, Trades Union Congress, Further Education Institutions representative, Local Nature Partnerships representative, Rural and Farming Networks representative, Representative of equalities organisations*  
Secretariat: DCLG

**Performance and Accountability Sub-Committee**

**LCR EU Sub-Committee**

*Cllr Phil Davies (Chair), Robert Hough, David Read (DCLG), Cllr Liam Robinson, Richard Else, Cllr Nick Small, Val Jones, Patrick Whitby, Gideon Ben-Tovim, Tony Okotie, David Shaw, Cllr Dave Cargill, Robin Leatherbarrow, Carole Hudson, Kate Willard, Yana Williams, Lynn Collins, Kath Boullen,*

**GPB Sub-Committee's**

*[e.g. Thematic, Evaluation, TA]*

**LCR EU Delivery Group**

*Alan Welby (Chair), Martin Eyres, Wesley Rourke, Bob Hepworth, Tracy Mawson, Andy Churchill, Alison Thornber, Huw Jenkins, Rob Tabb, Mike Henesey, Jonathan Jackson, James Sharples*