

**REPORT TO:** Executive Board  
**DATE:** 8<sup>th</sup> February 2007  
**REPORTING OFFICER:** Strategic Director – Corporate & Policy  
**SUBJECT:** North West Operational Programme  
**WARDS:** Borough-wide

## **1.0 PURPOSE OF REPORT**

1.1 To update the Executive Board on the development of the North West Operational programme for 2007-2013 (ERDF) and identify issues for Halton

## **2.0 RECOMMENDED THAT:**

- (1) The report be noted and that:**
- (2) (i) Executive Board approves the proposed actions outlines in this report; and**
  - (ii) Dialogue is maintained with colleagues in the Objective 1 area, and other areas across the North West Region.**

## **3.0 BACKGROUND ON NORTH WEST OPERATIONAL PROGRAMME**

- 3.1 The North West Operational Programme (NWOP) presents key priorities and actions in regard to how European Funding will be allocated and spent in the Region during the period 2007-2013.
- 3.2 The National Strategic Reference Framework (the structure used to allocate European Funding nationally) was approved at the end of 2006 and regional allocations have been set. As expected, there is a 60:40 ERDF:ESF split, with Merseyside gaining £213m over the 7-year period, the rest of the North West being allocated £310m.
- 3.3 Consultation for the NWOP has been ongoing since September 2006 and the 3<sup>rd</sup> draft is currently being finalised. Consultants from Regeneris have been employed to write the Operational Programme and Halton Borough Council have been active in lobbying for a fair share of resources. Cllr Dave Cargill and the Head of External Funding have provided input at North West, Merseyside and Cheshire consultation events in October and December 2006. This lobbying has highlighted Halton's unique position as well as supporting the wider Merseyside view. Representation was made at the NWRA Executive Board in December and there was a further lobbying opportunity at the Regional European Partnership

meeting in January 2007, where Cllr Cargill represented both Halton and Merseyside.

- 3.4 The official response from the North West region is being collated by the North West Regional Assembly and will be submitted to the UK government by the 19<sup>th</sup> February 2007 deadline. The form attached (Appendix 1) is the questionnaire circulated by the NWRA and Regeneris to be completed.
- 3.5 The NWDA are facilitating a Governance and Management working group where both governance and all issues surrounding reporting arrangement are being discussed. Concerns have been expressed as to the role of the NWDA as managing authority in terms of both transparency in project selection and support and in terms of capacity to manage a highly complicated programme. Local Authorities across the UK have expressed the same reservations and the LGA have taken up this issue on their behalf. However, the decision as to who manages the Programme lies at Member State level across the EU and it is unlikely that the European Commission will become involved in UK decisions.
- 3.6 On Merseyside, there is a proposal for the TMP board to assume the “phasing in” board role and the Sub-Regional Partnership to assume a “mini-executive” role. This arrangement would allow Halton to be involved in discussions at a sub-regional programme level but would not alter the fact that, as matters stand at the moment, Halton cannot access the “ring-fenced” Merseyside allocation.
- 3.7 Discussions have taken place with colleagues from the Vale of Glamorgan and from South Yorkshire who find themselves in a similar position but there seems to be very little support for joint lobbying. Lobbying has also taken place for a ring-fenced allocation of the Merseyside pot for Halton, but there is little support from the region due to the precedent it might set. However, Halton is referenced in the RES and at a sub-regional level in the CRDP and the Merseyside Action Plan. This gives the opportunities for Halton to produce a portfolio/mini programme of interventions “Euro-plated” in accordance with the NWOP priorities and endorsed by the governance arrangements described above.

#### **4.0 IMPACT ON HALTON**

- 4.1 The end of the 2000-2006 funding programme will mean that Halton can no longer access ERDF monies in the same way as before. However, the Head of External Funding has arranged a series of meetings across the Council to pull together a portfolio of projects which fit in with the NWOP, for endorsement by the Merseyside Governance Arrangements.
- 4.2 The Head of External Funding has been working with colleagues from Research and Intelligence to pull together Halton specific statistics on, for example, worklessness and GVA/GDP which will strengthen the lobbying case for support. It is further proposed that the Leader of the Council and European Affairs Portfolio holder will be required to follow up the discussions which took place at

a study visit in Brussels in Spring 2006, not least in regard to exploring the plethora of future European Funding opportunities available to the Council.

- 4.3 Future funding opportunities from European sources are currently being investigated by the Head of External Funding to identify ways to deliver efficient and cost effective services at a local level. For example, the Council is developing an audit of 'transnational'<sup>1</sup> opportunities and activities in the borough. Recently the external funding division worked with colleagues in Transport to develop a bid through the STEER EU programme focusing on use of alternative fuels for public transport in the borough. It has also been a key partner in securing EU funding to deliver the 'enabling choices' agenda in the sub-region in preparation for the Gender Equality Duty (GED).

## **5.0 FINANCIAL IMPLICATIONS**

- 5.1 Consideration will therefore need to be given as to the impact of the loss of these monies on the Halton area, and how they might be replaced by other sources of funding, and how this would impact on the forward planning process. There is recognition that Halton no longer has Assisted Area status although this loss is being minimised through the application of exemptions known as horizontal measures specific to support to economic regeneration, SMEs, research and development, environmental sustainability and bespoke/non-bespoke development.

## **6.0 POLICY IMPLICATIONS**

- 6.1 None.

## **7.0 RISK ANALYSIS**

- 7.1 The end of the ERDF funding period will mean that Halton Borough Council will need to be aware of all other opportunities to support the work necessary in the Borough. The Head of External Funding meets regularly with the Chief Executive and the Portfolio holder to discuss a range of issues and explore risks.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

None.

## **9. TIMESCALES**

- 9.1 The response to the Operational Programme consultation will be submitted to the Government in February 2007 with an expected implementation date of 1<sup>st</sup> October 2007

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<sup>1</sup> Transnational literally means working across nations, in a funding context refers to EU funding for work with European partners

## **10. BACKGROUND PAPERS**

Appendix 1 – North West Competitiveness Operational Programme 2007-13  
Consultation Questions.