**To: Finance Panel (Panel of the Scrutiny Committee)**

**Date: 29 October 2015**

**Report author: Matthew Peachey, Economic Development Manager**

**Title: Update on EU funding**

1. LGA’s EU Funds 2014-20: A new Guide for Councils

This section summarises only the relevant opportunities for colleagues to be aware of that arise from the new EU Funding Programme. It highlights what type of activity each fund supports, current and on-going work from officers, and potential additional areas of focus assuming we prioritise adequate officer resources.

| **Programme** | **Summary of Programme** | **Existing Activity** | **What we could do** |
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| **European Regional Development Fund (part of European Structural Investment Funds – ESIF)** | Local economic growth focussed on supporting small and medium sized businesses, research and innovation and low carbon economy. | As part of the ESIF Shadow Committee for OxLEP, officers are helping shape each call in partnership with county-wide stakeholders (Matt Peachey and Val Johnson). For example, the Economic Development Team will provide match-funds through time in-kind to both define and maximise local spend relating to SME competitiveness and start-ups. | Opportunity to integrate more widely with county-wide activity and projects on other themes. |
| **Community Led Development (part of European Structural Investment Funds – ESIF)** | Grant to deprived areas through community based partnerships. | Following advice from government the monies set aside for this in the Oxfordshire Programme were reallocated to other parts of the programme. After hosting 2 workshops at the City Council there was an agreement to reallocate 50% this funding to the Building Better Opportunities Fund (for long term unemployed and NEETS to keep the focus of this funding on areas of deprivation). | N/A |
| **European Social Fund (ESF). Part of ESIF** | Aims to improve employment and education opportunities by funding training and skills projects. Also aims to support vulnerable people at risk of poverty and promote social inclusion. | Matt Peachey and Val Johnson represent the City Council on the ESIF Steering Group. Information is shared through the City Council Employment and Skills Group across service areas**.**  The City Council Welfare Reform Team has submitted a Bid for the Better Opportunities Fund (see above).This is to form a local consortium of delivery targeting long term and vulnerable unemployed people. | N/A  . |
| **Technical Assistance (part of ESIF)** | To manage, monitor and evaluate projects within EU rules. | The LEP has been allocated funding for this and has 2 posts to undertake this work. City Council staff work closely with existing LEP/County staff. | To continue to work closely with the LEP staff and to develop our knowledge internally so that we maximise any opportunities that become available to us. |
| **Youth Initiative (part of ESIF)** | Promotes integration of young people into the labour market, in particular those who are not in Training Employment or Education. | City Council officers have been involved in developing these proposals and will be actively seeking to become a delivery partner. The proposals are currently out for tender. A workshop has been arranged for potential bidders and delivery organisations. | To continue to be actively involved with the NEET work and to ensure coordination with City Council programmes and activities, so that we can maximise and add value to our work with young people. |
| **INTERREG (transnational activity, not aligned to the LEP’s ESIF Strategy)** | Helps regions and areas across Europe to work together and address shared problems. | Eligible to form partnerships that might apply to calls | There may be opportunity through twinning or other strategic city relationships to develop joint initiatives to share best practice (knowledge and delivery funds) with other European countries. Although this would require resources. It provides an opportunity to match a level of funds towards existing or new staff salaries. |
| **INTERREG (North West Europe)** | Integrated territorial development, including maritime cross- border cooperation in 8 NW European countries. | Eligible to form partnerships that might apply to calls | Possible funds for collaboration on projects related to low carbon, innovation, materials and resource efficiency. Again provides an opportunity to match funds towards existing or new staff salaries. |
| **INTEREG Europe- Interregional (EU wide)** | Knowledge sharing and best practice across policy related action planning for projects or platform related tools to enhance knowledge sharing | Eligible to form partnerships that might apply to calls | This may be an opportunity to support a range of areas including research and innovation, SME competitiveness, low carbon economy, environment and resource efficiency. This would require resources to develop bids. Again provides an opportunity to match funds towards existing or new staff salaries. |
| **INTERACT** | Supports governance arrangements of European Territorial Programmes themselves (INTEREG). | See above | See above. |
| **Urban Development Network** | Not a fund but a network to exchange information on urban development between cities. | None at present, but eligible. | We could get engaged in the network, if appropriate, but it would require resource. |
| **URBACT 111** | Sustainable urban development: Exchange of information and experience across either Action planning, implementation, or knowledge sharing networks. | See above | See above. Possible engagement through the LEP or through Regeneration and sustainability related activity as appropriate |
| **Urban innovative Actions** | Test innovative approaches through new City Pilot Projects. Projects selected through calls for proposals (defined annually by EC) with ERDF contribution not exceeding 5 million euro per project, a co-financing rate of 80% and project duration of 3 years maximum. | No engaged at present | Worth further exploration for genuinely, new, innovative projects related to urban development (not previously funded through other urban related funds) |
| **Competitiveness of enterprises and small medium sized businesses** | These funds are allocated through the LEP. | City Council officers have been involved in the design and delivery of this programme. |  |
| **HORIZON 2020** | Research and innovation aimed at universities and research laboratories taking ideas to market | Not eligible as a lead. Yet the City Council, Policy Team is involved in delivering an Urban 2 Decide Project, looking at improving the use of data with University of Oxford as the lead body. | Might provide opportunities for closer strategic engagement with the Universities - testing ideas to tackle city-wide priorities. Potentially, a topic for the OSP to take forward (fits Smart Oxford). |
| **European Fund for Strategic Investments** | Loans for infrastructure projects, education, research, innovation, renewable energy. 75% of EFSI financing is likely to focus on large-scale (>€50 million) national projects, which will nevertheless have local authority relevance. The remaining 25 % will provide smaller loans (VC) and guarantees to SMEs | Potentially eligible | The Government has submitted a list of UK strategic investment projects to the EC as indication of the type of large-scale projects that could benefit from the fund. These include major energy, broadband, and environmental projects. Other projects not on the national list can also apply, such as those for new school buildings, regional transport projects etc. |
| **Joint European Support for Sustainable Investment in City Areas (JESSICA)** | Loans for urban development and regeneration. | Need a new regional funding structure in-line with Sheffield for example | London, North West and Sheffield currently have a JESSICA under the 2007-13 programme which have been used to set up green or sustainable urban development loan funds. We might explore with support from Government around devolution proposals. |

1. **Input towards the draft Response to Finance Scrutiny Committee as relates to EU Funds**

Following the recommendations to Finance Scrutiny Committee on May 14th 2015, and in light of the information in section 1, further responses have been made by officers based on those recommendations. This is to highlight on-going work, and further opportunities for consideration.

| **Recommendation** | **Agreed? (Y / N / In part)** | **Comment** | **Lead Board Member / Officer** |
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| 1. We recommend that the City Council actively looks to bid for LEP managed funding in priority issue areas (see recommendation 2). | Y | The LEP are in discussions with Whitehall about European Structural Investment Funds (ESIF) funding through the Shadow Committee that advises the national programme manager on local priorities.  Cllr Bob Price is on the LEP and Skills Board. He is supported by the Economic Development and Policy Team. Regular briefings are provided to key staff and members, as appropriate. There is on-going discussion about the needs of the City and resource allocation. | Cllr Ed Turner / Nigel Kennedy |
| 2. We recommend that the City Council identifies a small number of priority issue areas for future EU bids.  We suggest that these priorities should be drawn from the following short-list:  - Housing (see recommendation 3)  - Low Carbon Economy  - Sustainable transport  - Recycling  - Air pollution | Y | There is not specific EU funding targeting housing, LEP funding through City Deal and potential Devolution Programmes may accommodate this need. Also, fund related to low carbon and sustainable resources might impact on the housing agenda if targeted well. Sustainable Transport is likely to go through County Council, with city support, as in some current bids.  Projects around resource efficiency may be achievable through EU funds. See table 1.  Low Carbon and Air pollution are possibilities. See table 1  We also should include:  Arts/Culture/Museum/ Twinning (Previous successful bids)  Employment and Skills (City Council application made), Economic Development, Regeneration and  Research and innovation (City Council delivering Urban Decider Bid in partnership with University of Oxford)  We do have opportunity to, and have accessed funding in these key areas. | Cllr Ed Turner / Nigel Kennedy |
| 3. We recommend that the City Council keeps a watching brief on details of the EU Strategic Investment Plan, including whether this covers housing, with a view to identifying viable projects in Oxford. | Y | We have two officers represented on the EISF Steering Group (A shadow committee that advises the national programme managers on local priorities) and actively shaped the programme through hosting 2 workshops at the Town Hall to develop the proposals for tender. | Cllr Ed Turner / Nigel Kennedy |
| 4. We recommend that the City Council explores whether there is an appetite amongst regional partner organisations for the establishment of a South East England European Office, similar to the East of England European Partnership Office. | N | The South East is a large region with distinct local economies and opportunities.  It is relatively unlikely that Council’s would commit to this spend. | Cllr Ed Turner / Nigel Kennedy |
| 5. We recommend that the City Council encourages Oxfordshire LEP to develop expertise and provide advice to local organisations on obtaining European funding. | Y | The LEP, through the ESIF allocation has bid for ‘Technical Assistance’ funding, which if successful, will draw down funding for roles that will provide engagement and technical advice to local partners and groups. The County’s Business and Skills Team currently have some expertise and provide advice and support to all sectors on EU Funding. | Cllr Ed Turner / Nigel Kennedy |
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| 6. We recommend that a member or officer champion is appointed to raise the profile of EU funding. Given that maximising non-government funding streams is increasingly important to the City Council, this role could be explicitly set out in the responsibilities of an Executive Board Member. | In part | We have appointed an officer champion (Matthew Peachey). Executive members will champion their own areas. However, there is no dedicated staff resource focusing solely on funding opportunities. This approach may prove more fruitful over time. Perhaps a regular item as part of Policy Officer Group will help to bring together council wide resource more effectively. The Funding champion could advise officers of opportunities through this grouping. | Cllr Ed Turner / Nigel Kennedy |
| 7. We recommend that the City Council discusses the option of joint EU funding bids with Oxford’s Twin Towns and identifies other cities across the EU to partner with on future bids. This could involve working with historic cities in Southern Europe on sustainable transport solutions, for example. | Y | Accepted. INTERREG related funds (NW and EU Wide) should be specifically explored as they provide new opportunities, not currently being pursued. This will require resource, both to coordinate opportunities, and also deliver specific projects related to service areas. Other city focussed links, outside of twinning, may come forward with strategic fit, which should be explored where resource is available. | Cllr Ed Turner / Nigel Kennedy |
| 8. We recommend that the City Council identifies local businesses that it could potentially collaborate with on future EU funding bids. | Y | This is already happening through Oxford Economic Strategic Partnership, Smart Oxford, Environmental and Economic Development (e.g. a forthcoming EU Capital of Innovation 2016 bid – 950K Euro). | Cllr Ed Turner / Nigel Kennedy |
| 9. We recommend that the City Council promotes the Low Carbon Hub model through MEPs or other suitable channels, and encourages its replication across the EU. | Y | There is an EU level climate change forum and climate alliance at municipal level. This might fit several of the funds in table 1 as a model of best practice to be shared in exchange for other models with partners. | Cllr Ed Turner / Nigel Kennedy |