

To: City Executive Board

Date: 14 May 2015

Report of: Finance Panel (panel of the Scrutiny Committee)

Title of Report: European Funding

Summary and Recommendations

Purpose of report: To present comments from the Finance Panel following an item on European Funding.

Key decision? No

Scrutiny Lead Member: Councillor Craig Simmons

Executive lead member: Councillor Ed Turner, Executive Member for Finance, Asset Management and Public Health

Policy Framework: Corporate Plan 2015-2019

Recommendations of the Finance Panel to the City Executive Board:

Recommendation 1 – We recommend that the City Council actively looks to bid for LEP managed funding.

Recommendation 2 – We recommend that the City Council identifies a small number of priority issue areas for future European funding 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

Recommendation 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.

Recommendation 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.

Recommendation 5 – We recommend that the City Council encourages Oxfordshire Local Enterprise Partnership to develop expertise and provide advice to local organisations on obtaining European funding.

Recommendation 6 – We recommend that consideration is given to how the City Council can utilise and build on its existing expertise when making future bids for European Funding.

Recommendation 7 – We recommend that a member-champion is appointed to raise the profile of European funding opportunities across the City Council.

Recommendation 8 – We recommend that the City Council looks for opportunities to partner with Oxford's Twin Towns and other cities at EU level. This could involve working with historic cities in Southern Europe on sustainable transport solutions, for example.

Recommendation 9 – We recommend that the City Council looks for opportunities to collaborate with local businesses through the LEP on future EU funding bids.

Recommendation 10 – We recommend that the City Council looks to promote the Low Carbon Hub model through MEPs or other suitable channels, and encourages its replication across the EU.

Introduction

1. The Finance Panel convened a discussion about maximising the benefits of European Union (EU) funding on 5 February 2015. The Panel are grateful to all contributors and particular thanks go to Anneliese Dodds MEP for attending the meeting in person. The Panel would also like to thank Catherine Bearder MEP and Keith Taylor MEP for providing helpful written guidance.

Overview of EU funding

2. The EU multiannual finance framework 2014-2020 is worth a total of €960bn over the 7 years. Within this, the EU is investing in numerous areas including environmental protection, research and innovation, education, culture, health, and sustainable economic development.
3. The EU commissions specific programmes where it asks partners to participate. It also issues calls for proposals, where the onus is on the potential bidder to identify opportunities and compete with other actors for funding. All EU funding is subject to conditions and constraints, as well as on-going monitoring.
4. The UK is not eligible to access the Cohesion Fund, which is aimed at lower income countries. The UK Government took the decision to opt

out of the European Aid Instruments, which support issues such as homelessness, and the Solidarity Fund, which is aimed at disaster-stricken regions within Europe.

Oxford City Council European Funding

5. The City Council has had two successful bids for European funding and hopes to access some funding that has been allocated to the Local Enterprise Partnership.

[European Social Fund \(ESF\)](#)

6. The Welfare Reform Team successfully bid for a grant of £296k from the ESF towards the end of the previous EU funding cycle. The bid was assisted by the Department for Work and Pensions (DWP) and the funding is being used to support private sector tenants into work. This programme has been closely monitored, including through an on the spot audit.

[Intelligent Energy Europe \(IEE\)](#)

7. IEE aims to tackle non-technological barriers to the spread of more efficient use of energy and new and renewable energy sources. The City Council's Environmental Development Team has been awarded £900k from IEE as part of a £1.2m scheme to develop energy efficiency and renewable energy projects, and to lever in capital investment. The IEE programme has now closed.

European Funding through the Local Enterprise Partnership

[European Structural & Investment \(ESI\) Funds](#)

8. ESI funds are delegated to the EU's member states. The following ESI funding streams are included in the [ESI Funds Growth Programme for England 2014-2020](#):
 - European Regional and Development Fund (ERDF). This is the largest single source of EU funding. ERDF aims to support growth-enhancing sectors to improve job creation.
 - The European Social Fund (ESF). This invests in improving employment and skills opportunities (see para. 6).
 - Part of the Agricultural Fund for Rural Development.
9. The [ESI Funds Growth Programme for England 2014-2020](#) allocates around €19.5m to Oxfordshire through the City Deal. The City Council's Economic Development Team supported the development of Oxfordshire Local Enterprise Partnership's [European Structural and Investments Fund Plan](#), which sets out the local priorities for ESI funding in Oxfordshire, in accordance with the EU's thematic objectives. Calls for projects opened in March 2015.

Recommendation 1 – We recommend that the City Council actively looks to bid for LEP managed funding.

Other European funding streams that may be relevant to Oxford

10. A number of other funding streams were identified as potentially being of interest to the City Council and to Oxford more widely. These are set out below.

[Employment and Social Innovation \(EaSI\)](#)

11. EaSI includes a €561m fund that supports the modernisation of employment practices. Other EaSI funding streams focus on job mobility and access to microfinance and social entrepreneurship.

[Creative Europe](#)

12. This is a new programme to support European cinema and the cultural and creative sectors.

[Connecting Europe Facility](#)

13. This is another new programme that will invest €31.7bn on improving transport links, with a focus on making them more sustainable.

[Rights, Equality and Citizenship Programme](#)

14. This programme covers areas including domestic violence and gender equality. Funding is not normally delivered by local authorities but there are innovative parts of this agenda that may be relevant to the City Council.

[LIFE Programme](#)

15. This programme consists of Environment and Climate Action sub-programmes and covers issues including waste, nature, biodiversity and air quality.

[Horizon 2020](#)

16. This programme will invest nearly €80bn in research and innovation over 7 years.

[The Investment Plan](#)

17. The Investment Plan is a big new investment package that will provide €60bn in loans and guarantees to unlock €315bn of public and private investments in higher-risk strategic infrastructure projects between 2015 and 2017. Some groups have lobbied for housing to be a priority in this new investment package but currently, a lot of detail is lacking around the criteria and dispersal of new investments.

Recommendation 2 – We recommend that the City Council identifies a small number of priority issue areas for future European funding 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**

Recommendation 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.

Overcoming barriers and maximising opportunities

18. Since the abolition of regional development agencies in 2012, England has lacked regional mechanisms for delivering EU funds.
19. South East England also lacks a regional advisory body that could provide specialist advice, support and intelligence to help organisations in maximising EU funding opportunities. In contrast, the East of England region has its own [European Partnership Office](#), which aims to help organisations in that region to get the most from Europe. Some Local Enterprise Partnerships in the South East have the expertise to provide a similar function.
20. The hurdles to achieving European funding are high and can be very resource intensive. Just getting to the stage of submitting a bid represents quite a high risk for the City Council, so it is important that opportunities are converted. The City Council needs to prioritise effectively and maximise the use of its existing resources.

Recommendation 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.

Recommendation 5 – We recommend that the City Council encourages Oxfordshire Local Enterprise Partnership to develop expertise and provide advice to local organisations on obtaining European funding.

Recommendation 6 – We recommend that consideration is given to how the City Council can utilise and build on its existing expertise when making future bids for European Funding.

Recommendation 7 – We recommend that a member-champion is appointed to raise the profile of European funding opportunities across the City Council.

Building Partnerships

21. We note that a joint research based bid with Oxford University to the EU Progress Programme failed due to a lack of suitable comparators.
22. In future bids, Oxford could look to build on its relationships with its three Twin Towns within the EU; Bonn, Grenoble and Leiden.
23. Given that Oxfordshire is a relatively affluent area within the EU, there may be further opportunities to benefit from additional funding by forming partnerships with historic cities in less affluent regions of Southern Europe.
24. There may also be opportunities for the City Council to work with businesses through the Local Enterprise Partnership.
25. We note the success of the Low Carbon Hub partnership in Oxfordshire and would encourage efforts to replicate this model and share lessons learned across the EU, through a partnership of partnerships.

Recommendation 8 – We recommend that the City Council looks for opportunities to partner with Oxford’s Twin Towns and other cities at EU level. This could involve working with historic cities in Southern Europe on sustainable transport solutions, for example.

Recommendation 9 – We recommend that the City Council looks for opportunities to collaborate with local businesses through the LEP on future EU funding bids.

Recommendation 10 – We recommend that the City Council looks to promote the Low Carbon Hub model through MEPs or other suitable channels, and encourages its replication across the EU.

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