

**CSF Funds 2014-2020
Civil Society pre-consultation
Event**

**Nottingham
15 November 2012**

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Content

- Background
- Opportunities
- Timetable
- Local engagement – next steps
- Questions

CHANGING TIMES

- ❖ Economic landscape
- ↪ Concentration of EU investment on top drivers of EU growth & delivering UK National Reform Plan
- ↪ Focus on results
- ↪ More flexibility to align EU funds to increase impact (regional, social, rural and fisheries)
- ↪ Simplification

Strengthening the Strategic Approach

- EU Common Strategic Framework: indicative actions for all five CSF funds
- Partnership Agreement: UK Business Plan for all five CSF funds
- Operational Programme (s): priorities, activities, funding, approach to integrated territorial development...these can be multi-fund

CSF – 11 Thematic Objectives

1. **Innovation** and R&D
2. **ICT**: Improving access; quality and usage
3. **SMEs**: Improving competitiveness, incl. in the agricultural and aquaculture sectors
4. **Shift to low carbon economy**
5. **Climate change** adaptation and risk management
6. **Environmental protection** & resource efficiency
7. **Sustainable transport** and unblocking key networks
8. **Employment** and labour mobility
9. **Social inclusion** and fighting poverty
10. **Education, skills** and lifelong learning
11. **Improving institutional capacity** for efficient public administration

Specific Provision for ESF - SCOPE

18 investment priorities in
4 Thematic Objectives

1. Employment and Labour
Mobility

2. Social Inclusion and
Combatting Poverty (min. 20%
at UK level)

3. Education, Skills and Lifelong
learning

4. Institutional and
Administrative Capacity

ESF contribution to the
other thematic objectives

1. Low Carbon

2. Enhancing accessibility, use
and quality of ICT

3. Research and Innovation

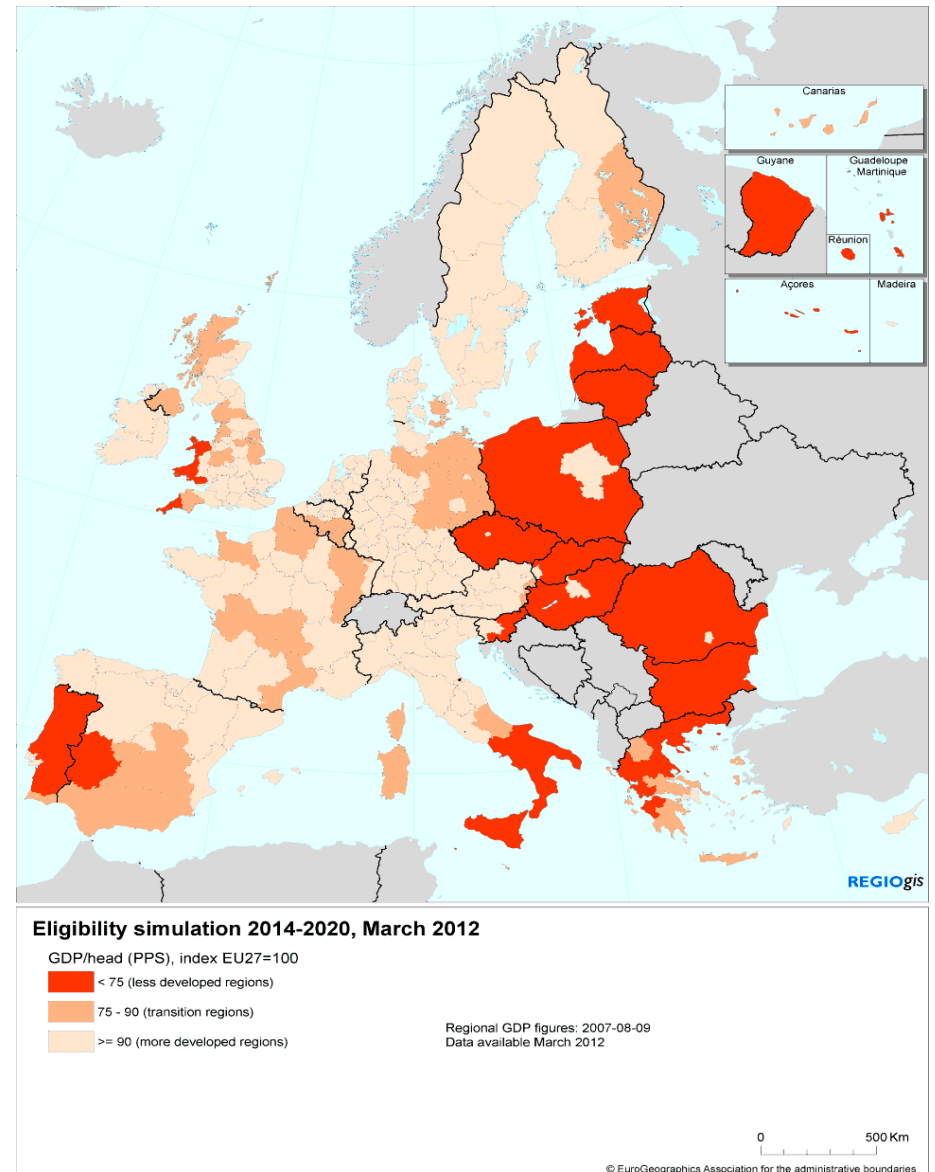
4. SME Competitiveness

EUROPEAN COMMISSION'S UK PRIORITIES - STRUCTURAL FUNDS -

- ❖ Increasing R&D spend & 'localising' impact of national investment
- ❖ Improving access to finance for SMEs
- ❖ More renewable energy
- ❖ NEETS / youth unemployment; marginalised groups into employment
- ❖ Higher level skills

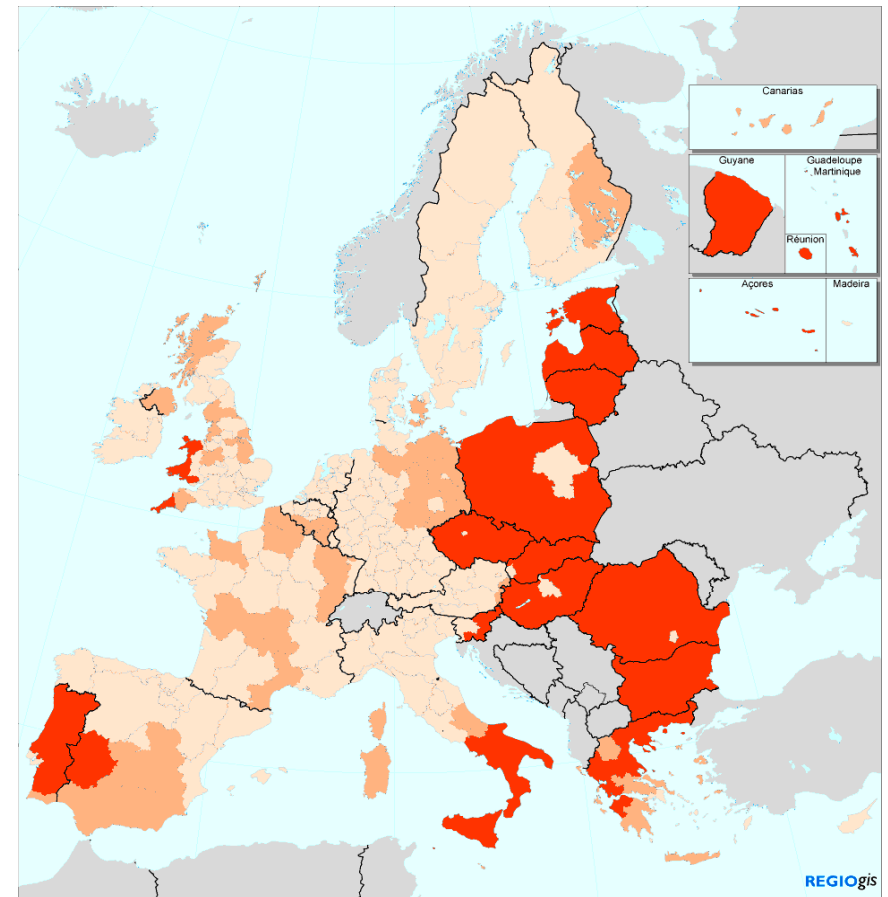
'LESS DEVELOPED' REGIONS 2014-2020

- **GDP/head below 75% EU27 average**
- 75%-85% EU co-financing available for wider range of activities
- Safety net” of 2/3 of previous allocation for regions moving ‘up’ and out of this category
- Minimum 20- 25% (?) spend must be from European Social Fund (possible to count ERDF) on Employment, Skills, Inclusion
- Likely to be **West Wales and the Valleys + Cornwall and Scilly Isles**



'TRANSITION' REGIONS 2014-2020

- GDP/head between 75% and 90% of EU27 average
- **60% EU co-financing**
- Safety net” of 2/3 of previous allocation for regions moving ‘upwards’ into this category
- 35- 40% (?) spend must be from European Social Fund (and ERDF) on Employment/Skills/Inclusion, of which 70% of each programme must focus on only 4 priorities, with 20% earmarked for tackling social exclusion at national level (including ERDF spend?)
- **80% ERDF to focus on only 3 (4?) priorities**
- Likely to include :
 - Devon
 - Lincolnshire
 - East Yorkshire & N. Lincolnshire
 - Shropshire & Staffordshire
 - South Yorkshire
 - Merseyside
 - Lancashire
 - Tees Valley & Durham
 - Highlands & Islands
 - Cumbria
 - Northern Ireland



Eligibility simulation 2014-2020, March 2012

GDP/head (PPS), index EU27=100

- < 75 (less developed regions)
- 75 - 90 (transition regions)
- >= 90 (more developed regions)

Regional GDP figures: 2007-08-09
Data available March 2012

0 500 Km

© EuroGeographics Association for the administrative boundaries

MORE DEVELOPED' REGIONS 2014-2020

- GDP/head more than 90% EU27 average
- 50% EU co-financing
- Minimum spend in the range of 45- 50% must be from European Social Fund (& ERDF) on Employment, Inclusion and Skills of which 80% of each programme must focus on 4 priorities
- At least 20% ESF to focus on social exclusion at national level (although ERDF spend might also count towards the 20%)
- 80% ERDF to focus on only 3 (possibly 4) thematic objectives:
 - ❖ Innovation
 - ❖ SME competitiveness
 - ❖ Low carbon and energy efficiency (at least 20%)
 - ❖ *ICT ??*

Local Focus - new opportunities, integrated programmes, geographical flexibilities

- **Community-led local development** (all 4 funds)
'Local Action Groups' able to draw on all 4 Strategic Framework funds according to an integrated plan.
- **Integrated Territorial Investments** (ERDF & ESF only)
Urban development or Territorial strategy drawing on a multiplicity of programme strands and programmes. Management can be delegated to a city or NGO. Possible for ESF to support sustainable urban development strategies
at least 5% of ERDF resources to be allocated to integrated actions for sustainable urban development
- ❖ **Joint Action Plans** (ERDF & ESF only)
Lump sum payments to a single beneficiary more than €5m or 10% (current proposals) of an Operational Programme - whichever is lower - to manage a group of projects aimed at a specific purpose (but not for major infrastructure)

Civil Society - new opportunities

- Reinforced provisions on partnership in General Regulation and ESF regulation
- Provision for capacity building opportunities (ESF)
- Simplified cost options for small projects & higher ceiling for lump sums e.g. ESF projects below €100,000 can only be audited once; a flat rate of up to 40% of direct staff costs...
- Ring-fencing of minimum of 20% of ESF for Inclusion/Combating poverty
- Support for Transnationality and Social Innovation (ESF)
- Specific Investment Priorities for Social Economy/Social Enterprise (ESF and ERDF)
- Community-led local development approaches
- Innovative Financial Instruments (Social Investment/Social Housing)

OPERATIONAL CHALLENGES

- ❖ Structural Funds to deliver strategic national targets (export-led growth; key enabling technologies; more internationally competitive SMEs; higher skilled workforce)
- ↪ Smarter planning & national match funding to pull through strategic policy (esp ERDF)?
- ↪ Stretching the EU budget further = more loans / fewer grants
- ↪ Minimising red tape to encourage flexibility
- ↪ Cheaper to administer (public sector squeeze)
- ↪ Stronger performance management & accountability

STAKEHOLDER CONSULTATION

- 187 responses –
 - Flexible programme boundaries
 - Reduced admin burden
 - More integrated/aligned programmes
 - Fresh thinking on match funding
 - Programmes to match local and national priorities

TIMETABLE

- July 2012 – Government response to informal consultation
- Summer/Autumn 2012 - further stakeholder liaison and Partnership Agreement preparation
- November/December 2012 - Road show events
- Early 2013 – European Affairs Committee approval of UK Partnership agreement
- Spring 2013 - UK Partnership Agreement out to formal consultation
- Summer / Autumn 2013 - submission to Commission and agreement negotiated

TIMELINES & DEPENDENCIES

- EU 7 year budget framework: next spring 2013?
 - ❖ To set financial allocations to countries; to special status areas (eg transition) & to priority issues
- Then European Parliament (3months + ?), then back to governments (3 months + ?)
- Then UK business plan negotiated with Commission, followed by programme proposals (3 months + ?)
- **Earliest possible start : Spring 2014**
but Eurozone turbulence, requirement for unanimous agreement by 27 governments & German elections likely to push back schedule

LOCAL ENGAGEMENT

- Engaging local stakeholders with BIS Partnership Team (September to November 2012)
 - LEPs & Local Authorities (Simon Nokes and Kevin Richardson)
 - HEIs (Rachel Cummins)
 - Voluntary Sector (Sandra Turner)
- Roadshow Events – 22 November (Leicester Curve)

Sandra Turner

NCVO

BIS Partnership Team

Some Key Questions

- ❖ What geographies will work best?
- ❖ What are the top priorities?
- ❖ How can we improve commissioning/procurement?
- ❖ Should we improve alignment between funds?
- ❖ How can we make more effective use of match funding?

Geographical Issues

- Is more flexibility in geographic boundaries needed and for what activities/themes?
- How to balance local with national priorities in practice?
- Is CLLD the best mechanism to guarantee local actors involvement in strategy setting and delivery?
- What role should LEPs play in the next programme?
- If co-financing continues, how can we ensure that local priorities are taken into account?

Thematic Priorities

- What could civil society deliver in the future programme?
- What are the gaps civil society could fill?
- In what areas can the sector add the most value?
- Is there activity better suited to local, national delivery or across 'regions'?
- What needs to change to optimise the sector engagement in the next programme of CSF Funds?

Commissioning & Procurement

Some of the current issues:

- Scale of contracts
- Payment by results
- Little direct access to the funds
- Little or no incentive for 'distance travelled'/social inclusion

How could we ensure a greater mix of funding mechanisms/activities (a CFO for the sector? Return to direct bidding? Community Local Led? Social Investment?)

Funding streams and alignment

- Access to ESF/ERDF for Social Inclusion, Regeneration and Economic Growth
- Greater alignment between ERDF and ESF, and EAFRD
- Alignment to national funding streams e.g. Work Programme, SFA, NOMS...
 - What would this mean for civil society?
 - How would this affect national / local priorities?

Match funding

- National match
- Local match
- Co-financing models
- Private sector match including volunteer time
 - What are the implications for each of these approaches?
 - What are the mechanisms that better enable the sector fulfill its objectives?