

Government Review of the Balance of Competences between the UK and the EU

Call for Evidence: Cohesion Policy Review

1. How effective in your view have the structural funds been in addressing the tasks given to them under the various Treaties and what might be done to improve this?

2. To what extent have UK places, companies and workers benefited or not benefited from EU structural funds?

EU funding 2000-2006

During this period around £69m was invested across the DCC area through the Objective 2 programme, with around £19m secured for DCC-led projects.

EU funding 2007-2013

The RDA-led approach for the 2007-2013 Competitiveness Programme was for more strategic, larger projects. This meant that much of the funding was utilised to support the government's *Solutions for Business* products. There was also a stronger urban focus (Bristol, Plymouth, Torbay).

It is difficult to assess the overall benefits to the area but the geographical distribution of the grants made would suggest that Devon has not benefitted so much from the 2007-2013 programme in comparison with the previous phase, despite there being a weighting intended to ensure that the majority of outputs were in western part of the Competitiveness area.

By far the biggest investment has been the National Composites Centre in Bristol (£9m)

3. Are the types of activity covered by the structural funds and the other funds outlined in this paper more appropriately funded at EU, national or regional/local level? Should all Member States or regions receive structural funds in future? If not, what should be the criterion?

The actual source of the funding is of lower importance than how the funds can be used but since EU Structural & Investment Funds are allocated against an Operational Programme with a confirmed budget for 7 years, it is this reliability and the scope for forward planning over a long period which is beneficial: the budget and priorities for EU funds are not impacted by a change of government. The capacity for long-term forward programming is particularly helpful for large-scale projects.

Yes, Structural Funds should be available to all but with the majority going to areas that need it most. This should be based on:

- a clear methodology for targeting the areas that need it most.
- recognition of both rural issues and urban issues
- flexibility to respond to real issues in functional economic areas.

4. What is the right balance between strategic guidance at EU level, Member States management and control of the funds and regional or local identification of needs?

There have been significant improvements in the proposals for 2014-2020. It remains to be seen how it will work in practice but so far the indications are that the balance proposed for the current programme is right.

5. Do all parts of cohesion policy provide equal value for money? Are different approaches required for different funds and different geographies?

Territorial Co-operation (Interreg) – the principle is good and there are many worthwhile projects funded through Interreg but overall the value for money could be questioned since there is an incredible amount of time and resources devoted to programming – too many separate programmes with separate processes. UK partners have tried to streamline the new programme but with limited success. The preparation for the new Interreg programmes has involved numerous planning meetings and committees to draft the strategies and

programming documents for each area and supported by other documentation including reports on inception, situation analysis and functional capitalisation.

Once the new programmes are agreed, my experience is that the Managing Authorities for each programme take a long time to get their act together and in the previous round were very slow to appoint facilitators. Also, with separate procedures and guidance for each programme, there is a huge level of wasted resource.

There should be a lower requirement for direct economic outputs through Interreg – the aim should be to achieve efficiencies through joint effort and learning from the experience of others but this could be done in a far more efficient way and through fewer programmes.

6 To what extent should the funds be targeted at less developed areas and disadvantaged groups of society rather than being available as sources of investment for economic development across all areas?

It is important to retain access to some sources of investment across all areas – this helps to ensure consistency of provision and alignment with national priorities. However, there should be a focus on areas of deprivation in order to target funding on areas which need it most.

The introduction of the Competitiveness Programme in 2007, allowing all areas of the EU to access funding from Cohesion Policy, gave rise to a thinner spread of funding and resulted in reducing the visibility of ERDF, and possibly its impact.

I support the principle of having 3 tiers of support – the new transition category should help with targeting and will also help to prevent the abrupt change in funding levels which existed in the two-tier Convergence/Competitiveness system.

7. How effective in your view is accountability and financial management of the funds outlined in the paper? What further steps if any might be taken to provide increased assurance for EU taxpayers?

8. What are the main barriers to accessing EU funds? What might be done to overcome these?

There is a perception that it is complicated and this is often borne out in practice through slow and bureaucratic procedures.

There has been very poor information about the availability of EU funds and in the 2007-2013 programme there were restrictions in who was allowed to receive the information. For example, information about Open Calls under the South West Competitiveness Programme was circulated only to the 25 Programme Monitoring Committee members. My request, as a County Council officer, to be added to the mailing list was refused:

“Unfortunately we cannot accept requests to circulate directly as this was not set out in the prospectus documentation.”

I find it quite surprising that there should have been such a restriction on making information about the programme available.

Transparency and clarity of information is essential. Information needs to be easy to find and easy to understand. Clear, web-based information should be publicly available and could include a series of eligibility questions to lead would-be applicants through the initial stages of the process.

9. What practical steps could be taken to reduce the administrative burdens in getting funding from EU programmes?

In addition to streamlining the processes and reducing the amount of paperwork, there needs to be a consistent approach. There tend to be separate criteria and processes for each fund – this makes it confusing for applicants and difficult for officials dealing with several funds.

10. How can the local or regional dimension best be reflected in EU policy-making?

A greater requirement for MEPs to act as a conduit on local and regional issues: their work tends to focus on parliamentary committees and specific issues from constituents. There are a handful of active MEPs who do excellent work to raise the profile of local issues in Brussels but for many other MEPs there is limited involvement in local economic development and limited connection with what they do in Brussels/Strasbourg.

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Please note that these views are my own and not necessarily those of Devon County Council.