

Briefing note: European Structural Funds in Flintshire

Background

What are the Structural Funds and what do they do? The Structural Funds are financial tools set up to implement the [Regional policy of the European Union](#). They aim to reduce regional disparities in terms of income, wealth and opportunities. Europe's poorer regions receive most of the support, but all European regions are eligible for funding under the policy's various funds and programmes.

The current programme period for Structural Funds runs from 2007-2013. All projects must be approved by 2013 with all expenditure claimed during 2015 at the latest. The process of developing the next round of Structural Funds is well underway and is covered below.

Wales is divided into two areas for Structural Funds. The West Wales and the Valleys counties, shown in white on the map below, are covered by the Convergence programmes worth around £3.5bn in total. East Wales, shown in yellow, is covered by the Regional Competitiveness and Employment programmes worth in total around £280m.



The Regional Competitiveness and Employment programmes comprise funding from two separate European Structural Funds: the European Regional Development Fund (ERDF) and the European Social Fund (ESF). Around £60 million of ERDF funds will be channelled through the Welsh Government to help continue the region's economic, social and environmental transformation, by helping new and existing businesses to grow and move up the value

chain, and increase the 'value added' per job. It will also focus on regenerating Wales' most deprived communities and tackling climate change. Just over £50 million from the ESF will be used to tackle economic inactivity, increase skills and employment. Together with match funding from the private, public and voluntary sectors, the total investment of the Programmes will be around £280 million. (Source: WEFO website 2012)

In addition, the European Territorial Co-operation programmes also cover the County although some are restricted to West Wales.

European Territorial Co-operation (ETC) programmes address issues which cut across national borders and provide the opportunity for regions across the EU to work together, share best practice and knowledge transfer and co-ordinate actions to provide solutions to common challenges. Together, the programmes are investing around €1.4 billion (€885m in ERDF grant) in projects across the EU to strengthen the economic, environmental and social links between Member States and the regions. (WEFO 2012)

Current position

The funds from the main RCE programmes are now largely committed. 99% of ESF funds were committed by May 2012 and 84% of ERDF, with projects in the pipeline to take this to 138% should they all be approved.

The outputs in Flintshire delivered by the RCE programme to date (WEFO 15 September 2012) are:

- | | |
|--|-------|
| • Enterprises assisted | 91 |
| • Enterprises created | 288 |
| • Gross jobs created | 725 |
| • Participants | 5,888 |
| • Participants entering employment | 678 |
| • Participants entering further learning | 85 |
| • Participants gaining qualifications | 2,388 |

Projects are being delivered in Flintshire by a wide range of organisations: voluntary sector, Further and Higher Education providers and in particular the Welsh Government (WG).

Flintshire County Council is currently delivering three significant projects funded through the Structural Funds:

- North East Wales Town Centre Regeneration
£3.95m for town centre regeneration across Wrexham and Flintshire. FCC leads the project.
- North East Wales Strategic Business Parks
£642k to enhance, develop and support the economic, financial and environmental prosperity of areas of major employment importance at Wrexham Industrial Estate and Deeside Industrial Park. WCBC leads the project.
- Genesis Wales
Welsh Government leads the project nationally but each local authority delivers locally. "The project will predominantly target economically inactive females, lone

parents and individuals who also face additional disadvantages such as those from black and minority ethnic backgrounds, and young people not in education, employment or training. It will assist them to overcome a variety of barriers (including childcare, financial barriers to participation) by providing a package of easy to access client centred support including personal development and soft skills.” (WEFO 2012)

The future

EUROSTAT GDP data published in Feb 2012 now makes it highly likely that East Wales will qualify as a More Developed Region (Competitiveness). The Commission has published a framework which will see the Competitiveness and RDP programmes work more closely together in future programmes.

Future European programmes will be expected to contribute towards the Europe 2020 goals:

1. Employment - 75% of 20-64 year-olds to be employed
2. R&D / innovation - 3% of GDP to be invested in R&D / innovation
3. Climate change / energy - greenhouse gas 20% (30%?) lower than 1990, 20% of energy from renewables and 20% increase in energy efficiency
4. Education - Reducing school drop-out rates below 10%, at least 40% of 30-34-year-olds completing third level education
5. Poverty / social exclusion - at least 20 million fewer people in or at risk of poverty and social exclusion

In addition, WG has set out principles for future programmes in Wales:

1. Creation of sustainable jobs and growth and facilitating role of business.
2. Balance between greater thematic concentration and more effective spatial targeting- essentially greater concentration in fewer geographic areas- to maximise impact.
3. Alignment of programmes with relevant Welsh Government strategies and policies.
4. Contribution to a transformational impact on the Welsh economy.
5. Ensure sustainability of future investments: clear exit strategies, takes account of role of private sector, building social resilience etc.
6. Demonstrate clear added value and based on sound evidence.

WG have also set out their priorities for all European programmes in Wales:

1. Education, Skills and lifelong learning.
2. Research and Innovation.
3. Helping people into Work.
4. Sustainable transport and network infrastructure.
5. SME Competitiveness.
6. Sustainable (renewable) energy and energy efficiency.
7. Access to and exploitation of the digital economy.

The WG priorities specifically for the European Agricultural Fund for Rural Development (EAFRD which is the source of RDP funding) in Wales are:

1. Knowledge transfer & Innovation
2. Competitiveness of agriculture
3. Food Chain & Risk Management
4. Supporting Ecosystems
5. Low Carbon economy

6. Social inclusion, poverty reduction, economic development

All of the above priorities will contribute to the Commission's cross-cutting objectives of Innovation and Climate Change Mitigation and Adaptation. A minimum of 25% of the EAFRD is to be allocated to climate change mitigation and adaptation and land management measures (agri-environment-climate, organic farming, Less Favoured Areas) and a min of 5% to LEADER (community-led rural development).

WEFO has established several stakeholder forums looking at the new round of programmes. Draft Operational Programmes are expected to be tabled at these forums in October ahead of a wider public consultation in the new year.

There has also been a RDP Advisory Group established which will review the Common Agricultural Policy Implementation Regulations once published in October 2012. Local Authorities are represented on all forums.

An independent review (Guilford Review) of the arrangements for implementation of the European Structural Funds Programmes 2014–2020 is underway, the review is likely to lead to incremental improvements rather than fundamental changes to the next programme; aiming for practical and deliverable recommendations; and the need to professionalise project management.

Agreement on 2014-2020 EU Budget is expected February or March 2013 and Commission negotiation on the draft Operation Programmes to take place over the summer of 2013.