

**EUROPEAN UNION (EU) STRUCTURAL AND INVESTMENT FUNDS STRATEGY:
GREATER CAMBRIDGE GREATER PETERBOROUGH LOCAL ENTERPRISE
PARTNERSHIP (LEP) SUBMISSION**

To: **Cabinet**

Date: **28th January 2014**

From: **Executive Director: Economy, Transport and Environment**

Electoral division(s): **All**

Forward Plan ref: **N/a** *Key decision:* **No**

Purpose: **To update on process and progress for finalising the LEP-led EU Structural and Investment Funds Strategy and seek Cabinet endorsement of the Draft Strategy (see appendix A) which is due to be finalised for submission by the end of January 2014.**

Recommendation: **It is recommended that Cabinet:**

- a) Notes the process and progress for finalising the LEP-led EU Structural and Investment Funds Strategy due for submission by the end of January 2014**
- b) Endorses the Draft Strategy in Appendix A**
- c) Agrees that officers work with the LEP to make any suggested changes to finalise the Draft for submission.**

<i>Officer contact:</i>		<i>Member contact:</i>	
Name:	Dearbhla Lawson	Name:	Cllr. Ian Bates
Post:	Head of Transport and Infrastructure Policy and Funding	Portfolio:	Growth and Planning
Email:	Dearbhla.Lawson@cambridgeshire.gov.uk	Email:	Ian.Bates@cambridgeshire.gov.uk
Tel:	01223 714695	Tel:	01223 699173

1. BACKGROUND

- 1.1 Following Government's decision to devolve funding to local areas through Local Enterprise Partnerships (LEPs), the European Structural and Investment Fund (SIF) Strategy is one of two key documents relating to economic development and growth of their areas that LEPs have been asked to submit. The SIF Strategy will draw down the notional allocation of European funds. The Strategic Economic Plan (SEP) will be used to negotiate the Growth Deal and Local Growth Fund from domestic sources.
- 1.2 The Greater Cambridge Greater Peterborough (GCGP) LEP's notional allocation of SIF for 2014-2020 is approximately £65m, including equal amounts for European Regional Development Fund (ERDF) and European Social Fund (ESF). This is anticipated to equate to some £9m per annum over the 7-year period to support specific projects related to skills, Small and Medium sized Enterprise (SME) support and enterprise and innovation across the LEP area. A further amount for the rural development from the European Agricultural Fund for Rural Development (EAFRD) is yet to be announced.
- 1.3 GCGP LEP submitted a draft strategy to Government on 7th October 2013. The Council is helping the LEP develop the Final Strategy to be submitted to the Department for Business, Innovation and Skills by 31st January 2014.
- 1.4 The National Growth Board will agree the Strategies with all the LEPs by end of February 2014. Funding for projects will be available from mid 2014.

2. THE STRATEGY FROM DRAFT TO FINAL VERSION

- 2.1 The draft Strategy (see Appendix A) has goals to create an economy with 100,000 major businesses and 160,000 new jobs by 2025, in an internationally significant low carbon, knowledge-based economy. The Strategy for delivering the vision and goals is based on a pragmatic approach to resolving the critical barriers to, and meeting the opportunities for, economic growth, business and jobs creation. It provides the evidence base for the intervention proposals, based on the strengths and needs of the local economy. This is consistent with the SEP vision and evidence base.
- 2.2 On the ERDF side, it proposes to prioritise 4 thematic objectives: Innovation, SME support, Low carbon and Information and Communications Technology (ICT) (in order of importance). Transport proposals are not covered as LEPs were advised by Government not to include them on the grounds that they will feature prominently in domestic investment coming forward in the SEP being prepared to support Growth Deals. On the European Social Fund side, equal priority is given to Employment and to Skills. The minimum required investment is given to Social inclusion. Projects supporting the disadvantaged can be flexible, either as social inclusion projects or through access to skills and employment.
- 2.3 County Council officers have worked closely with the LEP and partners to help develop the Strategy from a bottom up approach, developing a programme of potential projects to support the broader policy objectives. All projects accessing EU funding require some match funding to be provided. National agencies including the Skills Funding Agency, Big Lottery Fund, Prince's Trust, DWP, Manufacturing Advisory Service (MAS) and Growth

Accelerator have offered match funding to support relevant programmes. For the County Council this means there will be opportunities to support projects planned to be delivered by leveraging some additional EU funding to complement local/national funding.

- 2.4 Links to other potential financial instruments are also being considered, in particular in the context of existing low carbon funding initiatives in the GCGP area such as the Mobilising Local Energy Investment (MLEI) Low Carbon Investment Fund.
- 2.5 Further work is in progress to address the feedback from the Department for Business, Innovation and Skills (BIS) on the Draft Strategy. This includes earmarking some funding for Community Led Local Development (CLLD), which focuses on the specific needs and opportunities of a particular area, typically through small community projects managed locally. For Cambridgeshire, the County Council is supporting an expression of interest from Wisbech which is being considered by the LEP for inclusion in the Final Strategy. This is utilising the Wisbech 2020 Vision and experience of the Fenland rural development programme. Other proposals being considered are Peterborough inner wards and Kings Lynn.
- 2.6 Following BIS feedback more details have been added to the intervention logic (linking development needs to investment priorities, actions and outputs). This is evidenced by a pipeline of potential projects to ensure deliverability of the Strategy. The Final Strategy will also demonstrate cross-LEP working more explicitly, focussing on geographical areas that overlap with neighbouring LEPs, in particular King's Lynn with New Anglia LEP.

3. LINK WITH OTHER GROWTH INVESTMENT STRATEGIES

- 3.1 The EU SIF Investment Strategy sits alongside and complements the Strategic Economic Plan (SEP), which is used to negotiate the Growth Deal between the Government and the LEPs. Growth Deals will focus on 3 key elements: transport, housing and skills. The first draft SEP was submitted to BIS in December 2013. The final version will be submitted by the end of March 2014.
- 3.2 The skills priority in the SIF Strategy is and will be linked to the GCGP LEP Skills Strategy and the Greater Cambridge City Deal skills element. The SIF priorities on innovation will also complement the City Deal ambitions towards delivering growth.

4. FINAL STRATEGY

- 4.1 The GCGP LEP Board considered the process of finalising the SIF Strategy at the Board meeting on 10th December 2013 and BIS feedback on finalising the Strategy. The Board agreed to delegate to the Chair of the Board for signing off the Final Strategy for submission to BIS by 31st January 2014.
- 4.2 To demonstrate support from local authorities for the growth vision, it is recommended that Cabinet endorse the Strategy approach as outlined in Appendix A and note progress with finalising the Strategy for submission to Government by the end of January.

5. ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING

5.1 Developing the local economy for the benefit of all

The Structural and Investment Funds will provide funding for projects to support local economic growth by helping businesses to grow and creating jobs.

5.2 Helping people live healthy and independent lives

The SIF Strategy priorities on innovation, ICT, employment and social inclusion will support people to lead active independent lives and to contribute socially and economically to their communities.

5.3 Supporting and protecting vulnerable people

Social inclusion projects supported by the Fund will target the most vulnerable, helping them back to the communities socially and economically.

5.4 Ways of working

The Council has and will continue to work closely with the GCGP LEP on both the SIF Strategy and the Strategic Economic Plan to ensure the most efficient use of resources to deliver the growth vision for Cambridgeshire.

6. SIGNIFICANT IMPLICATIONS

6.1 Resource and Performance Implications

Funding from the SIF should help with delivering some of the Council's key priorities related to supporting economic growth by providing funding to support delivery of key related projects.

6.2 Statutory, Risk and Legal Implications

There are no significant implications for this strategy.

6.3 Equality and Diversity Implications

There are no significant implications for this strategy.

6.4 Engagement and Consultation Implications

There is no statutory requirement for consultation on this Strategy. Stakeholders from the public, private and voluntary sectors in the LEP areas were engaged in workshops to shape the draft strategy.

6.5 Public Health Implications

There are no significant implications for this strategy.

Source Documents	Location
The Draft GCGP LEP EU Structural and Investment Funds Strategy can be found at the GCGP LEP web site:	http://www.yourlocalenterprisepartnership.co.uk/wp-content/uploads/2013/09/GCGP-European-Structural-and-Investment-Funds-Strategy_Final_Draft_081013.pdf