

**10<sup>th</sup> January 2011**

Sir Bob Kerslake  
Permanent Secretary  
Department for Communities and Local Government  
Eland House  
Bressenden Place  
LONDON  
SW1E 5DU

**Response of East Midlands Councils to Government's proposed revised management arrangements for the European Regional Development Fund**

Dear Sir Bob,

East Midlands Councils (EMC) is the collective body representing all 46 local authorities in the East Midlands of England. Thank you for inviting us to comment on the Government's proposed revised management arrangements for the European Regional Development Fund following the decision to abolish the Regional Development Agencies. I am the Chair of EMC's European and International Board, which leads our engagement in European policy issues. East Midlands Councils nominates political representatives to the East Midlands' ERDF Programme Monitoring Committee and ESF Regional Monitoring Committee as well as to the European Commission's Committee of Regions.

The Chair of EMC, Cllr David Parsons, has previously corresponded with Baroness Hanham to offer our support and assistance in the transition process. We remain ready to support Government to achieve the aims we share for efficient administration of structural funds, rooted in local democratic accountability, providing stronger, more responsive and accountable governance.

We therefore fully support the Government's intention to give local communities a bigger role in ERDF spending decisions, which can be achieved through greater representation and democratic leadership from locally elected Councillors in the new Local Management Committees (LMCs). This submission is both a headline response to the Government's key proposals and an offer to help Government achieve rapid and effective implementation.

As the nominating body for local Councils' representation in the current Programme Management Committee, EMC can quickly support Government to achieve more local representation in the proposed Local Management Committee. Through our knowledge of local partners from business and the voluntary sector, we can support a refresh of partner organisations representation on the LMC to maintain and enhance a strong partnership approach to the management of ERDF.

EMC understands that Government wishes to retain strong financial oversight of LMCs and avoid any perception of conflict of interest between the role of local authority members on the LMCs and funding applications by their authorities. However, local authority members have significant experience of working alongside partners and managing competing interests with major funding implications, such as in the former Regional Funding Allocation process. Further, we remain firmly of the view that locally elected Councillors know best what local areas need. Government can have a strong influence on financial management of LMCs without CLG officials being in the Chair beyond any initial 'bedding in' period. Locally accountable members, working with partners, should lead on determining strategic priorities and future operational programmes.

EMC welcomes the retention of the officials currently administering the ERDF programme within the East Midlands and the continued commitment to support applicants in developing eligible projects. Greater local representation on the LMC can provide enhanced oversight of this valuable retained resource to support all eligible areas to realise local regeneration ambitions. There is a further opportunity to work more effectively alongside the 'peer to peer' support, facilitated through organisations such as EMC, that helps Councils continue to improve and innovate in their European engagement for the benefit of local communities in each functional economic area.

Building on stronger governance through local democratic leadership, East Midlands Councils supports more integrated management and oversight of local regeneration funding, particularly European funding. This minimises the complexity and compliance burden for applicants, makes the process less esoteric and, alongside greater flexibility and local decision-making, opens up the possibility of greater innovation and more effective use of funds. The Local Management Committees for ERDF are therefore ideally placed to take on necessary legacy functions in the management of the ESF and potentially RDPE. In doing so, Ministers will need to be clear that they expect the functions of LMCs to include project appraisal and approval.

To help ensure that sufficient match-funding is available for local communities to fully benefit from the potential of ERDF, the proposal to look at how it can be used alongside the Regional Growth Fund is sound, although this should not limit the flexibility in either scheme. Further sources of funding may need to be identified as eligible matches given the current challenges facing Councils.

Looking forward to the 2014-20 ERDF programme, EMC is keen to work with you to further strengthen local input to decision making so that future management arrangements will deliver the ambitions Ministers and local Councils share for

community regeneration. In particular, East Midlands Councils supports greater flexibility for operational programmes to be drawn up on the basis of functional economic areas or areas with strong interrelationships.

On behalf of EMC, I look forward to working with you to ensure that the management arrangements for ERDF are in place to effectively deliver the local regeneration ambitions that Ministers and Councils share.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Dave Wilcox', with a long horizontal flourish extending to the right.

**Cllr Dave Wilcox**

Chair East Midlands Councils European and International Board