



**East Midlands
Councils**



EUROPEAN UNION
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European Regional
Development Fund 2007-13

Making the Most of EU Funding in the East Midlands

Andrew Pritchard

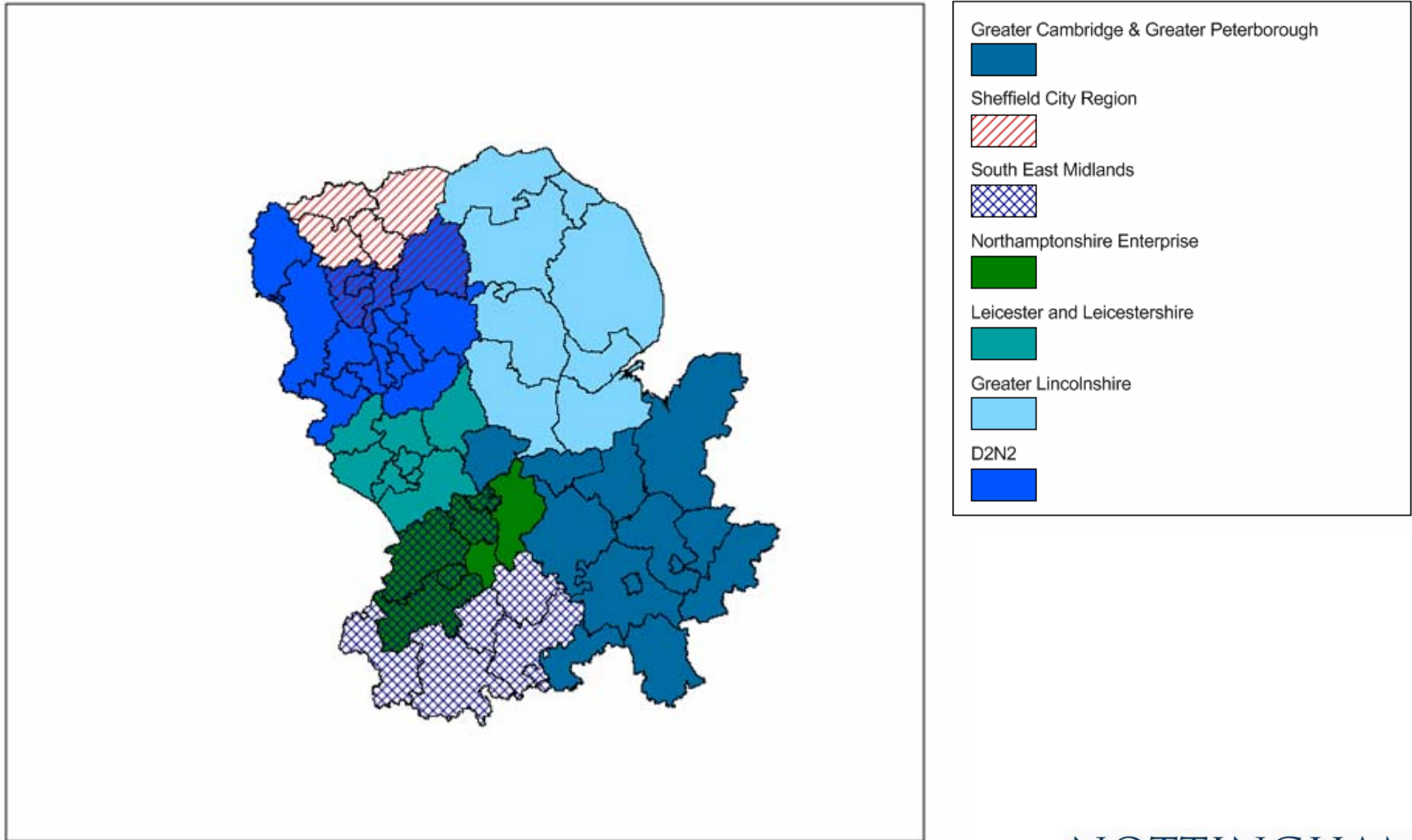
Director of Policy & Infrastructure

East Midlands Councils

Localisation of EU Structural funds

- Establishment of a national 'EU Growth Programme'
- LEPs to develop EU investment strategies
- Each LEP to be given a 'notional allocation' of EU funding to prioritise
- Option to 'buy-in' to national programmes
- Payments to be made centrally
- Notional allocations will be reviewed against performance from 2017 onwards

Local Enterprise Partnerships within or overlapping the East Midlands Region



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“Show me the money”

- EU Growth Programme = €6.2 billion (2014-20)
- UK Local Growth Fund = £2 billion p.a.



In and around the EM

D2N2:	€249.7m
GLLEP:	€133.5m
LLEP:	€126.3m
NEP:	€55m
SEMLEP:	€88.3m

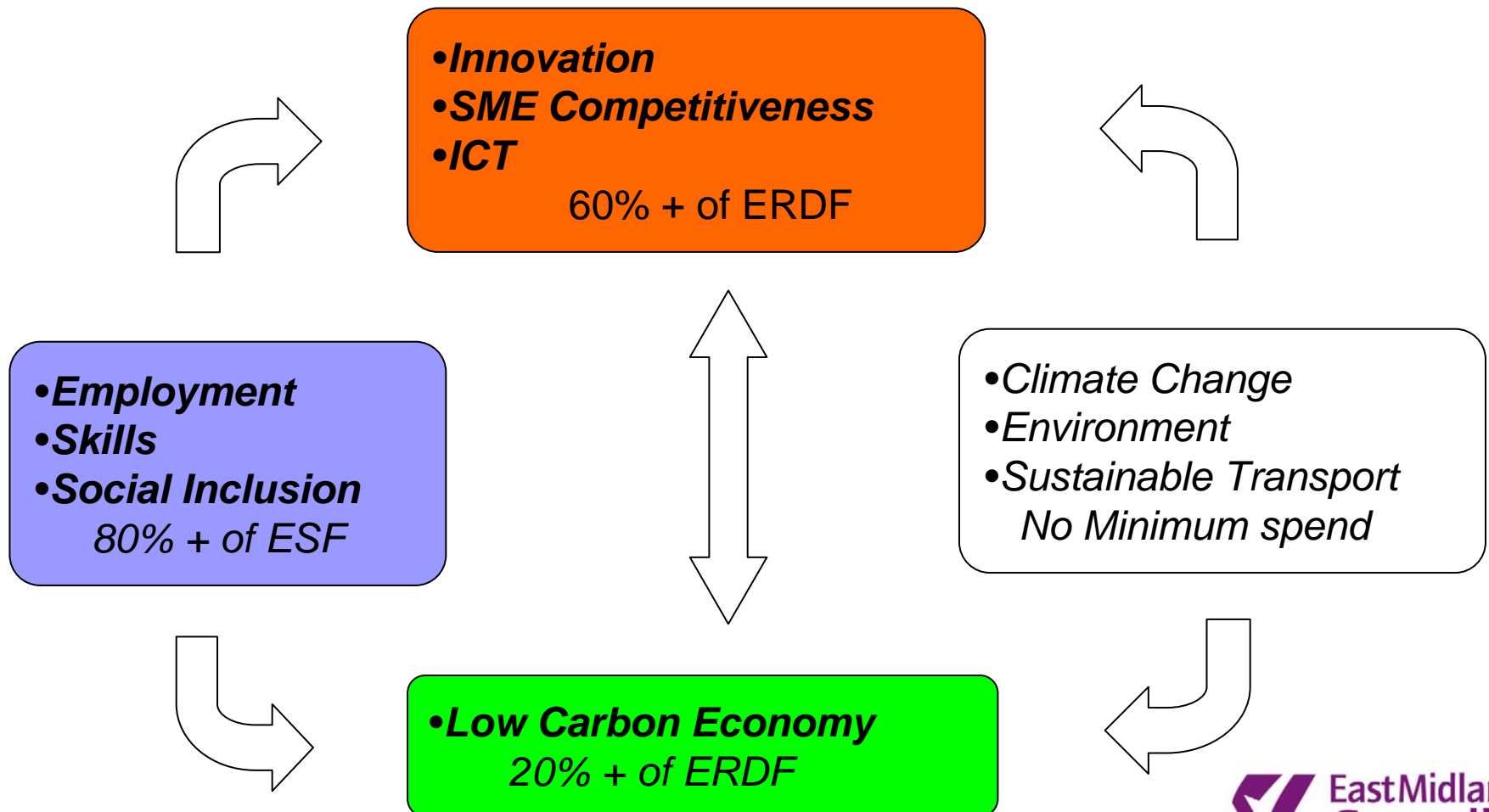


UK Local Growth Fund Allocations (2015-16)

D2N2:	£47m
GLLEP:	£48m
LLEP:	£28m
NEP:	£19m
SEMLEP:	£31m



Emerging UK Priorities



Also...

- Minimum 20% of combined ESF/ERDF on 'social inclusion'
- Gender equality, equal opportunities & non-discrimination
- Sustainable development



Key Outcomes

“It’s the economy, stupid”

- More Jobs
- Less Worklessness



Timescales

- January 2014: LEPs finalised strategies
- Early 2014: Period of negotiation
- Late 2014 (?): new EU Programme starts
- 2017 – first review of notional allocations



Current Experience

- Spend under the current ERDF Programme has been slow - money lost as a result
- Too many small projects - difficult to see a strategic impact
- Original operational programme did not fully meet local needs

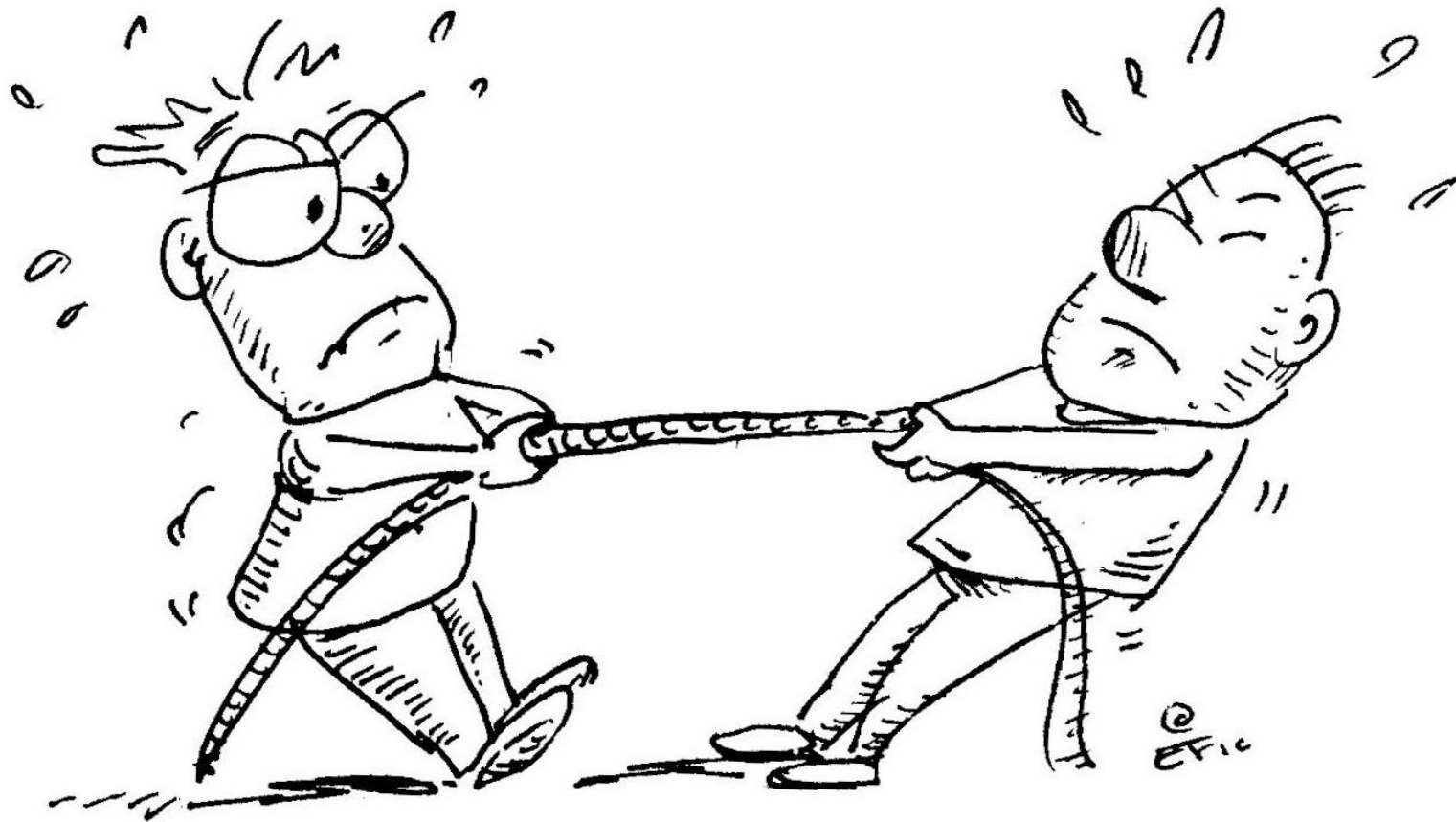


Future Challenges

- 1 region replaced by 7 LEPs – 4 overlapping
- Pressure for early spend on projects that will deliver clear outcomes
- LEP notional allocations to be reviewed in 2017- under-performance could be penalised



Threats v Opportunities



EMC Technical Assistance Project

- Raise awareness and understanding of new processes
- Highlight strategic opportunities for growth in the East Midlands based on evidence
- Highlight opportunities for collaborative activity that will generate strategic scale projects

Meeting Need Realising Opportunity

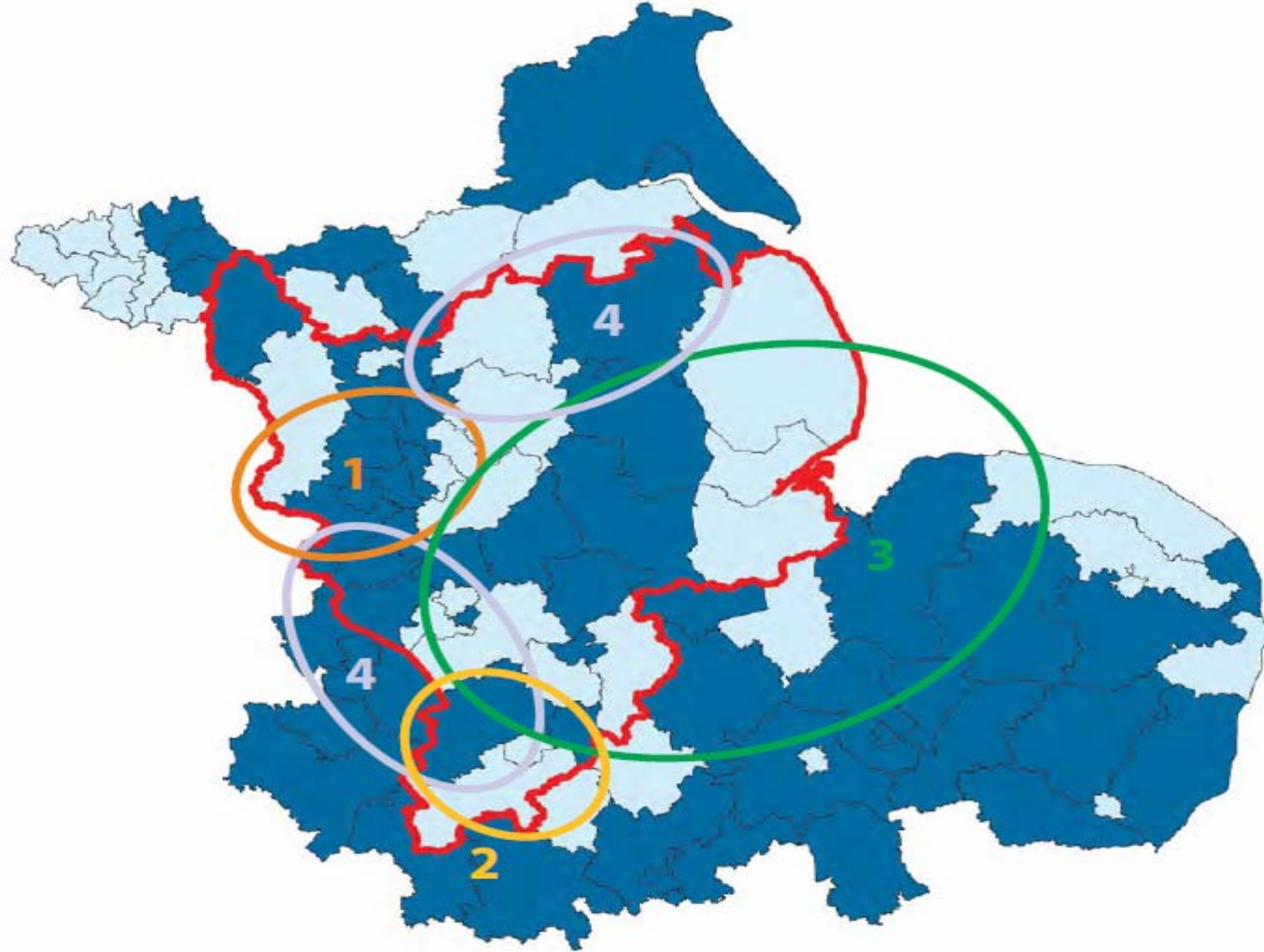
A Socio-Economic Framework for the East Midlands
to Inform the Delivery of EU Structural Funds (2014-2020)



December 2013

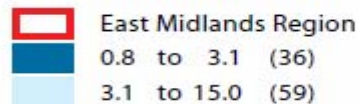
Smart Specialisation

- Boosting regional competitiveness through effective use of public resources
- Place-based strategies based on analysis of economic potential
- Focusing on high value activities
- Avoiding duplication or needless competition
- Built on a strong partnership between business, public authorities & universities



Employment in high and medium-high technology industry (%)

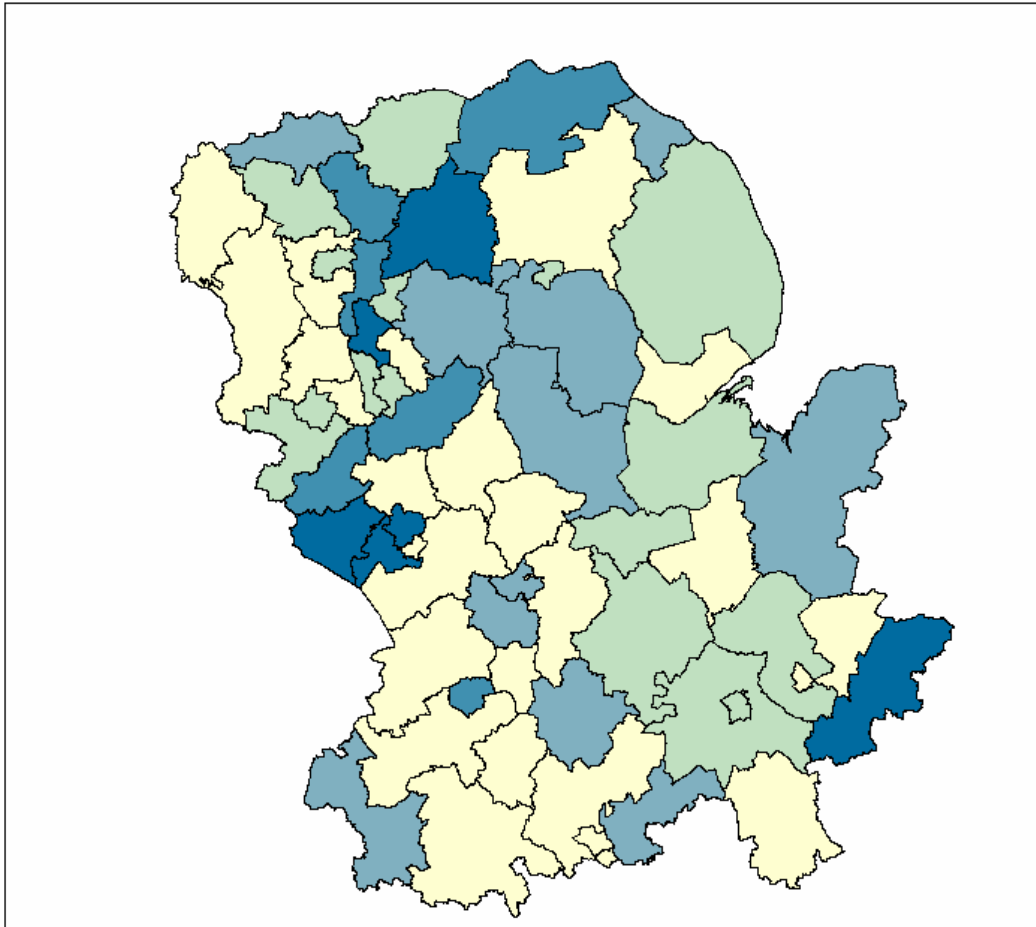
Above / below national average



- 1** Transport Equipment (Automotive, Rail & Aerospace)
- 2** High Performance Automotive/ Motorsports
- 3** Food Technology
- 4** Energy Generation & Supply

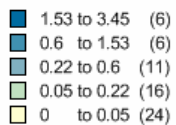
**NOTTINGHAM
BUSINESS SCHOOL**
Nottingham Trent University

Employment in SIC 35: Power Generation and Supply (%), 2011



NOTTINGHAM
BUSINESS SCHOOL
Nottingham Trent University

% Employment in Power Generation and Supply, 2011



Source: ONS Crown Copyright, 2012. *'Business Register and Employment Survey, 2011.'* Data accessed from NOMIS [17th June, 2013] and analysed under Chancellor's Notice Ref NTCBRES11-P0537.

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Key Assets

- Significant power generation sites – includes 2 co-firing stations near Retford in D2N2 (as well as nationally important coal-fired site at Ratcliffe-on-Soar) – and E-ON and EDF energy offices
- R&D intensive manufacturing related to power generation equipment: includes Cummins in NEP and Alstom and Siemens in Greater Lincolnshire
- Lower proportion of renewable generation in the region, but hydro, wind and biomass capacity increasing
- Sector specialisation in Transport Equipment (D2N2 and LLEP) includes international leaders in low carbon/fuel cell technologies (Rolls Royce, Toyota etc.) and HE research links
- Centres of excellence include:
 - British Geological Survey (D2N2)
 - The Energy Technologies Institute (ETI)

Key Barriers

- Availability of workforce skills
- Information failures and risk/uncertainty
 - On benefits to SMEs and potential investors, and also due to time-lags between up-front costs and future benefits
 - On available support and areas of excellence
 - For supply chain customers (demand)
- Investment/access to finance
- Infrastructure (including knowledge infrastructure)
- Externalities (where some of the costs or benefits ‘spill-over’ to affect parties other than those involved in the original activity) - can provide a disincentive to investment as the party making the original investment may not be able to recoup a sufficient share of the benefits

Horizon 2020

- The EU financial instrument implementing the [Innovation Union](#), a [Europe 2020](#) flagship initiative aimed at securing Europe's global competitiveness
- The biggest EU Research and Innovation programme ever with nearly €80 billion of funding available over 7 years (2014 to 2020).
- First calls issued on the 9th July 2014
- More information through the online [Participant Portal](#)

UK Government Support (BIS)

- Technology Strategy Board

<https://www.innovateuk.org/energy;jsessionid=31294EAD948B02D1B2C336C17BD68BB0.3>

- Manufacturing Advisory Service

<http://www.mymas.org/events/east-midlands>

- UK Trade & Investment

<http://www.uktiofficefinder.ukti.gov.uk/export/unitedkingdom/eastmidlands.html>

Conclusions

- Retaining and spending LEP indicative EU allocations for 2014-20 will be challenging
- East Midlands has some key competitive advantages which are of national significance - including energy
- We need to develop collaborative projects with strategic impact to maximise these opportunities.