



AGENDA

SELECT COMMITTEE - KENT'S EUROPEAN RELATIONS

Tuesday, 28th July, 2015, at 2.00 pm

Ask for: **Joel Cook**

**Wantsum Room, Sessions House, County Hall,
Maidstone**

Telephone **03000 416892**

Tea/Coffee will be available 15 minutes before the start of the meeting in the meeting room

Membership

Mr A J King, MBE (Chairman), Mr A H T Bowles, Mr D S Daley, Mr G Lymer, Mr R A Marsh, Mrs P A V Stockell, Mr R Truelove and Vacancy (UKIP x 2)

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

- 1 Kent's European Relations Recommendations - Progress report (Pages 3 - 10)

EXEMPT ITEMS

(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)

Peter Sass
Head of Democratic Services
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Monday, 20 July 2015

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From: Mark Dance, Cabinet Member for Economic Development

To: European Select Committee, 28 July 2015

Subject: Update on the agreed Action Plan for taking forward the recommendations of the Select Committee Report: 'Maximising the Benefits from Kent's European Relationships'

Classification: Unrestricted

Past Pathway of Paper: County Council, 16 July 2015

Electoral Division: All Divisions

Summary:

This report provides an update on the Action Plan which was agreed by Cabinet, presented to Scrutiny Committee on 12 June 2014 and considered by the County Council on 16 July 2015. This was in response to the recommendations of the Select Committee report of February 2014: 'Maximising the Benefits from Kent's European Relationship' which was submitted to the County Council on 27 March 2014.

Recommendations:

The Select Committee is asked to:

- 1) Note the progress in delivering its recommendations.
- 2) Agree the proposal for the Select Committee to continue to review progress.

1. Introduction

1.1. The attached Action Plan (**Appendix 1**) has been updated to reflect progress in implementing the Select Committee recommendations. As can be seen, considerable progress has been made over the past 12 months, including the establishment of a healthy project pipeline and initial bids made to the First Calls for projects under the new EU programmes for which Kent is eligible in 2014-20. A number of KCC applications have recently been given the 'green-light' to proceed to full applications under the 2-stage approach being followed by most of the new programmes.

1.2. Other key developments have been the co-location of the Kent Brussels Office with the Region of Nord-Pas de Calais in January 2015, the restructuring of KCC's Hardelot Centre towards making it fully self-financing and work to ensure Ashford's future international rail connectivity. With regard to the latter, the European Commission confirmed on 10 July 2015 that a grant award of €2.7 million would be made available for new signalling at Ashford from the EU's 'Connecting Europe Facility'.

1.3. The signing in March 2014 of a formal Memorandum of Understanding with West Flanders, a key partner in the new EU Interreg cross-border programme, has also contributed to our efforts to maximise EU funding in support of KCC's corporate priorities and outcomes through European partnership working.

2. Overview of Progress

2.1. The Action Plan provides the detail of progress against the 10 Recommendations of the Report. With regard to maximising EU funding (Recommendation 1), members of the Select Committee may also wish to note that KCC's current pipeline of potential bids, ranging from outline ideas to more developed proposals, is being refined into a more strategic and focused list which reflects the full scope of Directorates' strategic investment priorities. Discussions with individual Corporate Directors and their teams are therefore underway to develop an 'investment plan' and strategic pipeline for KCC.

2.2. The benefits of KCC's presence in Brussels have been strengthened (R5) by the Office's co-location in January 2015 with the French region of Nord-Pas de Calais, our closest European partner since 1987. The move is strategically advantageous because of Nord-Pas de Calais' role as Managing Authority for Interreg and the increased opportunities for securing joint EU-funded projects by our proximity to a well-established and key strategic partner.

2.3. Over the past year priority has also been given to reducing expenditure and increasing income with the aim of making KCC's Hardelot Centre financially self-sufficient. (R4) The current business plan for the Centre contains the aim to break even which contrasts with the losses of nearly £100,000 four years ago.

3. Conclusion

3.1. The delivery of certain recommendations is likely to be an ongoing, longer-term exercise. For example, in relation to the 7-year timescale for the EU funding programmes. It is therefore proposed that the Committee should have the opportunity to provide further input through a subsequent review of progress in, say, 6-12 months' time should it so wish.

Report Author

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Updated Action Plan – Appendix 1

Select Committee Recommendations	Proposed Actions	Progress to date	Status
<p>R1 That:</p> <ul style="list-style-type: none"> • International Affairs Group (IAG) works to maximise funding, activity and projects from the South East Local Enterprise Partnership’s (LEP) European Programme and supports the commissioning process for KCC, Kent and Medway projects through that programme • The LEP delivery architecture includes the involvement of an appropriate rural organisation so that the rural priorities of the county will be pursued as an integral part of Kent and Medway’s overall objectives for growth. • KCC lobbies central government to ensure that it accesses appropriate EU national funding streams for rural issues and the EU Solidarity Fund in relation to recent floods 	<ul style="list-style-type: none"> • We will work with our LEP partners and government to ensure that governance processes, including commissioning, project selection and partnership arrangements, enable Kent and Medway to maximise their funding from the SELEP programme • IAG to highlight opportunities to KCC Directorates and other organisations • We will develop bespoke ‘Opt-in’ arrangements with UKTI South East for the delivery of business support services and with other agencies, such as SFA and MAS, where appropriate • We will secure appropriate Kent & Medway rural representation on the SELEP EU Delivery Group, and develop a new EU Rural Development LEADER programme for East Kent • We will seek funding for rural activities from the EAFRD under the SELEP EU programme (KCC also wrote to DCLG in January 2014 urging the government to explore an application to the EU’s Solidarity Fund in respect of flood damage). 	<ul style="list-style-type: none"> • IAG has worked with Directorates and other partners to develop a pipeline of KCC and Kent projects for submission to the South East LEP ESIF programme and the other EU programmes for which the county is eligible in 2014 – 20. A significant number of project applications have already been submitted this year or are in preparation for upcoming Calls from within the pipeline of Kent projects. • The Kent Rural Board receives updates from the LEP on rural projects and has provided the LEP with feedback on its Rural Strategy. Links between the KRB and the LEP need to be strengthened for future working as do links between the Board and the LEP Rural Stakeholders Group which is due to be established to assess projects coming forward for funding. • KCC wrote to DCLG in January 2014 urging the government to explore an application to the EU’s Solidarity Fund in respect of flood damage but this was not pursued by the UK 	<p>Ongoing</p> <p>Complete but keep under review</p> <p>Complete</p>

<p>R2 That:</p> <ul style="list-style-type: none"> • International Affairs Group (IAG) updates KCC's International Strategy: 'Global Reach Local Benefit' in concert with the Local Enterprise Partnership EU Structural Investment Funds Strategy for the South East and the Kent and Medway Local Growth Plan, taking account of and noting the recommendations of this report and that • In addition, IAG produce or commissions EU funding guidance for the 2014-20 funding programme. 	<ul style="list-style-type: none"> • We will revise the International Strategy to reflect the recommendations of the Select Committee, as well as incorporate new opportunities from the new programmes Structural Funds 2014-20, business and trade activities, and the refocusing of the Hardelet Centre and Kent Brussels Office • A Guide to Key Thematic Programmes has been produced (February 2014). This will be revised to incorporate the other new programmes, such as Interreg, once they are finalised. 	<ul style="list-style-type: none"> • An updated European Strategy 2014-20 has been drafted which reflects the recommendation of the Select Committee Report including priorities for: <ul style="list-style-type: none"> – Securing EU Funding – Boosting Kent's Business and Trade – Ensuring International rail connectivity – Maintaining and developing local and European partnerships where these support the development of funding bids or support policy learning and best practice • A Guide to Thematic Programmes has been produced together with internal Fact Sheets and guidance on other programmes such as Interreg 	<p>Complete</p> <p>Complete</p>
<p>R3 That:</p> <ul style="list-style-type: none"> • International Affairs Group prioritises its partnership development function, increasing its capacity to maintain and develop the relationship with local and European partners; businesses and Members of the European Parliament in the South East to maximise the potential for EU funding. 	<ul style="list-style-type: none"> • Staffing of the Hardelet Centre (See R4) will be restructured to enable the current Acting Manager to fulfil her core function as IAG's European Partnerships Manager • KCC will sign an MOU with West Flanders as a key partner in the new EU programming period 2014-20 • The Kent Brussels Office will relocate to the offices of Nord-Pas de Calais, our most longstanding European partner, as part of a strengthened relationship with NPDC (see R5 below) 	<ul style="list-style-type: none"> • Partnership development has included: <ul style="list-style-type: none"> – The signing of a Memorandum of Understanding with West Flanders in Ypres on 28 March 2014 – Co-location of the Kent Brussels Office with the region of Nord-Pas de Calais. This will be Strategically advantageous to KCC in terms of Joint project development and NPDC is Managing Authority for several of the new EU funding programmes for which Kent is eligible in 2014-20 	<p>Actioned and ongoing</p>

<p>R4: That</p> <ul style="list-style-type: none"> • The Hardelot Centre is developed as a flagship link between South East England and Northern France: that solutions are sought for an increase in accommodation to enable a diversification of use (with a focus on language skills, cultural awareness and exchange) to foster Anglo-European partnerships and maximise trading opportunities for Kent businesses in Region Nord-Pas de Calais and further afield. 	<ul style="list-style-type: none"> • A Full Options Paper including associated business cases and relevant facts and figures to be prepared. 	<ul style="list-style-type: none"> • Developments at Hardelot have been focussed on reducing expenditure and increasing income to make the Centre financially self-sufficient. This is being achieved through staff restructuring, re-negotiation of utility contracts, tighter financial management, a reduction in food waste and more effective marketing to increase bookings. The Centre's business plan for 2015/16 contains the aim to break-even. • The establishment of the Centre in February 2015 as an 'Association' under French law would enable it to be marketed to French schools and promote joint learning and exchange with English school children. • The Hardelot Centre is currently part of a process of competitive dialogue with external bidders as part of EduKent's procurement exercise for its Schools Services. This could offer a solution to the accommodation issue amongst other benefits. A decision on whether or not to award an external contract is expected by the autumn. 	<p>Actioned and ongoing</p>
<p>R5 That:</p> <ul style="list-style-type: none"> • The role of KCC's Brussels Office is strengthened and refocused towards policy, influencing and the provision of guidance to KCC and Kent organisations with a particular emphasis on accessing EU Thematic funding and new Interreg 	<ul style="list-style-type: none"> • The Brussels Office will develop a detailed Work Programme and engage further with Directorates and reflect key corporate priorities in its work programme, in particular those that can be progressed through EU policy or funding activities. 	<ul style="list-style-type: none"> • The co-location of the Brussels Office with Nord-Pas de Calais took place in January 2015. • Brussels Office is leading our efforts on specific policy fields including efforts to maintain Kent's international rail connectivity (see Recommendation 10 	<p>Actioned and Ongoing</p>

<p>funds for the benefit of Kent and its residents.</p>	<ul style="list-style-type: none"> • A hub for project development will be created with Nord-Pas de Calais Regional Office in Brussels, focusing particularly on thematic programmes such as Horizon 2020, Erasmus+ and the Connecting Europe Facility. • A programme of seminars in Brussels on Kent's policy objectives will build on key partnerships and opportunities for project development. 	<p>below) and for the integration of health and social care.</p>	
<p>R6 That:</p> <ul style="list-style-type: none"> • KCC ensures it has sufficient staff resources to optimise the development and implementation of EU funded projects (with, as a minimum, a leading role in each of the three new directorates). 	<ul style="list-style-type: none"> • An assessment of resource needs will be carried out including the potential for 'call-off' arrangements for bid-writers and the recruitment of a European Project Facilitator within IAG to support KCC Directorates with project development, technical support, bid-writing support and project implementation. 	<ul style="list-style-type: none"> • Lead contacts for project development have been identified within GET, SCHW and EYPS. • Directorates will also need to build strong project management capacity working closely with IAG and the External Funding and Specific Grants Team. 	<p>Ongoing</p>
<p>R7 That:</p> <ul style="list-style-type: none"> • KCC ensures International Affairs Group and EU project officers are enabled to take advantage of free/low cost communication options (e.g. Skype) in order to maximise cost effective communication/engagement opportunities with EU partner organisations. 	<ul style="list-style-type: none"> • IAG will use such options wherever available and feasible. 	<ul style="list-style-type: none"> • KCC ISG has advised that standard Skype is 'an insecure means of communication and that, even where the intention was to use it as a channel for non-sensitive information, use would result in broadcast of infrastructure data classified as 'official' by CESG and the Cabinet Office.' • Teleconference facilities are, however, increasingly being used for partnership and project development meetings as an alternative to travel. Communications 	<p>Not actioned</p>

		options are also being considered as part of actions under Recommendation 8 below.	
<p>R8 That International Affairs Group and KCC as a whole:</p> <ul style="list-style-type: none"> • Seek to raise further the profile of Kent’s international work to date and of the future opportunities from EU funding • With local partners, seek creative ways to publicise successful EU funded projects in Kent/within the South East Local Enterprise Partnership area, including through the building in of publicity measures and costs into future funding bids as part of the projects’ communication strategies. 	<ul style="list-style-type: none"> • Directorates will be supported to strengthen the publicity element of their projects and Corporate Communications utilised more effectively to publicise EU project success stories. 	<ul style="list-style-type: none"> • Discussions are currently underway with KCC Corporate Communications to develop appropriate internal and external communication strategies including branding and channel development e.g. via social media etc. together with a ‘customer mapping’ exercise. 	Ongoing
<p>R9 That KCC seeks, through EU project work, partnerships and trade development activities:</p> <ul style="list-style-type: none"> • To maximise export opportunities for Kent businesses, aiming to close the 2% gap between businesses that export in Kent and Nationally • To promote Kent as an attractive location for businesses in Europe and further afield 	<ul style="list-style-type: none"> • KCC will continue to play a strategic role in coordinating International Trade support activity through the Kent International Business (KIB) initiative. • IAG will progress ‘Opt-In’ arrangements with UKTI South East which provide value for monthly and are tailored to deliver our local priorities and meet local business needs. • IAG will develop and submit a bid for a follow-up project (‘ISE’ - Innovative Sector Exchange) to the successful “2 Seas Trade” project under the new 	<ul style="list-style-type: none"> • Several new KCC EU projects in support of SME business and trade have been developed for submission to the new EU programmes inc: <ul style="list-style-type: none"> – ‘Innovative Sector Exchange’ (Interreg 2-Seas) – Kent and Medway Trade Development (SELEP ESIF) – ‘Internationalisation of SMEs’ (Interreg Europe). <p>These will support exporting by Kent’s SMEs, enabling them to benefit from the Single Market and promote the county as an attractive location for business in Europe.</p>	Ongoing

	Interreg programme 2014-20.		
<p>R10 That:</p> <ul style="list-style-type: none"> • KCC continues to make the case for improved international rail connectivity at both Ashford and Ebbsfleet, supported by the business case for Transmanche Metro which is due to be published later this year. • The Select Committee would like to express strong support for the Ashford Spurs signalling project for which KCC is the lead authority, and which is at an advanced stage of development with most of the funding committed for the planning and design stage, since Ashford must be assured of future international rail connectivity in order to benefit the people of Kent and Kent businesses. 	<ul style="list-style-type: none"> • KCC will follow up the Strategic Business Case submitted to government for investment at Ashford station • Kent Brussels Office and KCC transport officers will seek financial support from European programmes for Phase 2 of the Ashford Spurs development. • Following meetings with Network Rail and the European Commission in May 2014, the feasibility of a bid to the EU's Connecting Europe Facility will be examined for funding the implementation phase of the project. • KCC will continue to make the case to Eurostar for the further use of Kent's International Stations. 	<ul style="list-style-type: none"> • The final Business Case for the Transmanche Metro Project was presented at the Final Regions of Connected Knowledge (RoCK) project conference in Brussels on 17 June 2015. The Business Case concluded that there was a commercially viable case for more connections between Kent and Nord-Pas de Calais • An application to the EU 'Connecting Europe Facility' (CEF) was submitted on 23 February 2015 for a project worth €5.3 million requesting just under €2.7 million in EU support for the re-signalling of Ashford Spurs. • The European Commission confirmed on 10 July 2015 that a grant award of €2.7 million will be made available from the CEF. This is equivalent to 50% of the value of the project with the match-funding provided from the South East Local Enterprise Partnership. The Department for Transport and Network Rail will now have to negotiate the contract with the EC in the autumn. 	<p>Complete</p> <p>Actioned and ongoing</p>