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To: Cabinet

Date: 2 June 2014

Decision No: 14/00060

Subject: KCC Select Committee Report: 'Maximising the Benefits from Kent's European Relationship' – Action Plan

Classification: Unrestricted

### Summary

The Action Plan at **Annex 1** of this paper summarises the key actions for taking forward the recommendations of the EU Select Committee on Kent's European Relationship. The Action Plan will be considered by the Scrutiny Committee at its meeting on 12 June 2014.

## 1. Background

- 1.1. Cabinet received a report of the Cabinet Member for Economic Development, containing the final report of the Select Committee on Kent's European Relationship for consideration at its meeting held on 24<sup>th</sup> March 2014. Cabinet resolved to recommend to County Council that officers and witnesses be thanked and comments from County Council be welcomed.
- 1.2. At its meeting on 27 March 2014, full council considered and held a discussion on the same report. This was accompanied by a report giving an initial response by the Portfolio Holder and responsible Directorate to the findings and recommendations of the Report.
- 1.3. The formal response of the Executive is due to be provided to Scrutiny Committee on 12 June 2014 and will be presented in the form of an action plan.

## 2. Action Plan

- 2.1. The table at **Annex 1** to this report comprises an Action Plan of key proposed actions for taking forward the Select Committee Recommendations, together with timescales. Some of these actions are already being implemented, whilst the latest developments in respect of some of the key recommendations are as follows:

## Maximising EU funding, activity and projects (R1)

- 2.2. As shown in the table below, subject to adequate resourcing (see 2.7 below), a challenging, but achievable target for the amount of funding that might be secured for KCC and Kent from EU 'Territorial' (i.e. geographically defined) programmes is £100 million over the period 2014 – 20.

<b>Territorial Programmes</b>	<b>Total amount of Funding (€m)</b>	<b>Potential funding opportunity for Kent</b>
Interreg VA '2 Seas' Cross-Border Co-operation	€200	£15 million
Interreg VA 'Channel' Cross-Border Co-operation	€150	£5 million
Interreg VB North West Europe (NWE) Transnational Co-operation	€350	£5 million
Interreg VB North Sea Region (NSR) Transnational Co-operation	€150	£3 million
Interreg VC Interregional Co-operation	€360	£2 million
South East LEP SU Structural and Investment Fund (SIF)	€185	£70 million
<b>Total</b>	<b>€1,745</b>	<b>£100 million</b>

- 2.3. In seeking to maximise EU funding it is important to stress that all projects must support the achievement of KCC's business priorities and be capable of achieving significant impacts. In this regard all bids will be assessed for their forecast output and outcomes against the level of funding to be attracted.

- 2.4. International Affairs Group is already working with Directorates and other organisations to highlight the EU opportunities from the new programming period 2014-20. This is aimed at establishing a pipeline of projects to enable bids to be submitted as soon as the programmes come on stream, most of which are unlikely to be approved before the end of 2014 (although the Interreg '2-Seas' Programme and its First Call for Projects will be launched in November 2014). Therefore, whilst the broad priorities of most of the programmes have now been established (in particular for research & innovation; SME competitiveness; low carbon economy; social inclusion and education & skills) we are still awaiting the detailed specifications and application forms to enable full project proposals to be worked up. It also needs to be borne in mind that there are likely to be 2 or 3 bidding rounds per annum for each of the programmes until 2020. This will enable further ideas to come forward in addition to those currently being developed by Directorates.

### *Partnership Development (R3)*

- 2.5. KCC signed a Memorandum of Understanding in Ypres on 28 March 2014 with the Province of West Flanders which has been one of KCC's key European partners for more than 10 years. This will support the development of future EU-funded projects in a range of activities of mutual importance. These include the Food Industry; Clean Technology; Logistics, Business/Entrepreneurship and Tourism (including special attention to Commemoration of the Great War).
- 2.6. Other current developments include the strengthening of our links with the Regional Council of Nord-Pas de Calais, including co-location of Kent's Brussels Office within new premises currently being acquired by the Region in Brussels. As well as providing a saving on the rental cost of the current office, the arrangement will be strategically advantageous to KCC in terms of future joint EU project development.

### *Hardelot Centre (R4)*

- 2.7. A Full Options Paper, plus associated business cases and relevant facts and figures, particularly in relation to a possible Joint Venture, is currently being prepared. The business case will include clarification on the Centre's legal status under French law.

### *Resourcing (R6)*

- 2.8. The Select Committee recognised the key importance of prioritising and committing human and financial resources (including meeting match-funding requirements) to securing EU funding if the county's participation is to be maximised. An initial specification has been drafted for a potential European Project Facilitator based in IAG to support KCC Directorates in project development and bid writing. This might be supplemented by 'call-off' consultancy arrangements for specific initiatives (especially in respect to EU thematic programmes such as Horizon 2020 for innovation). The Select Committee's suggestion to establish lead roles for EU funding in each of the Directorates is also especially welcome.

### *Ashford International (R10)*

- 2.9. Since the Select Committee's report, the EU Interreg IVB Steering Committee has approved and committed funding worth £260,000 for the 'Ashford Spurs' signalling project. This is aimed at ensuring that international trains can continue to access Ashford International Station. Together with a similar amount secured from UK sources, this EU grant meets the estimated cost of Phase 2 of the project (planning and design) and paves the way for a subsequent approach to Ministers at DFT for Government funding for the implementation of the project (estimated at £1.6

million). In this regard, IAG is currently instigating the scope for securing some of this funding from the EU's 'Connecting Europe Facility'.

**Recommendation**

Cabinet is asked to agree the actions as set out in the implementation plan at appendix 1.

The implementation plan will be considered by Scrutiny Committee on 12 June 2014.

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## Recommendations of the KCC Select Committee Report: 'Maximising the Benefits from Kent's European Relationship'

### ACTION PLAN

Select Committee Recommendations	Key Proposed Actions	Timescales
<p>R1 That:</p> <ul style="list-style-type: none"> <li>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</li> <li>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.</li> <li>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</li> </ul>	<ul style="list-style-type: none"> <li>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</li> <li>IAG to highlight opportunities to KCC Directorates and other organisations</li> <li>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</li> <li>We will secure appropriate Kent &amp; Medway rural representation on the SELEP EU Delivery Group, and develop a new EU Rural Development LEADER programme for East Kent</li> <li>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).</li> </ul>	<p>March – December 2014</p> <p>March – December 2014</p>

<p>R2 That:</p> <ul style="list-style-type: none"> <li>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</li> <li>In addition, IAG produce or commissions EU funding guidance for the 2014-20 funding programme.</li> </ul>	<p>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 Hadelot Centre and Kent Brussels Office</p> <ul style="list-style-type: none"> <li>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.</li> </ul>	<p>September 2014</p> <p>Feb– December 2014</p>
<p>R3 That:</p> <ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Staffing of the Hadelot Centre (See R4) will be restructured to enable the current Acting Manager to fulfil her core function as IAG's European Partnerships Manager</li> <li>KCC will sign an MOU with West Flanders as a key partner in the new EU programming period 2014-20</li> <li>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).</li> </ul>	<p>October - March 2014</p> <p>Completed</p> <p>November 2014</p>
<p>R4: That</p> <ul style="list-style-type: none"> <li>The Hadelot 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.</li> </ul>	<ul style="list-style-type: none"> <li>A Full Options Paper including associated business cases and relevant facts and figures to be prepared.</li> </ul>	<p>July 2014</p>

<p>R5 That:</p> <ul style="list-style-type: none"> <li>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 funds for the benefit of Kent and its residents.</li> </ul>	<ul style="list-style-type: none"> <li>The Brussels Office will developed 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.</li> <li>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.</li> <li>A programme of seminars in Brussels on Kent's policy objectives will build on key partnerships and opportunities for project development.</li> </ul>	<p>Ongoing</p> <p>November 2014</p>
<p>R6 That:</p> <ul style="list-style-type: none"> <li>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).</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>	<p>July 2014</p>
<p>R7 That:</p> <ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>IAG will use such options wherever available and feasible.</li> </ul>	<p>Ongoing</p>

<p>R8 That International Affairs Group and KCC as a whole:</p> <ul style="list-style-type: none"> <li>• Seek to raise further the profile of Kent’s international work to date and of the future opportunities from EU funding</li> <li>• 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Directorates will be supported to strengthen the publicity element of their projects and Corporate Communications utilised more effectively to publicise EU project success stories.</li> </ul>	<p>Ongoing</p>
<p>R9 That KCC seeks, through EU project work, partnerships and trade development activities:</p> <ul style="list-style-type: none"> <li>• To maximise export opportunities for Kent businesses, aiming to close the 2% gap between businesses that export in Kent and Nationally</li> <li>• To promote Kent as an attractive location for businesses in Europe and further afield</li> </ul>	<ul style="list-style-type: none"> <li>• KCC will continue to play a strategic role in coordinating International Trade support activity through the Kent International Business (KIB) initiative.</li> <li>• 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.</li> <li>• 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 Interreg programme 2014-20.</li> </ul>	<p>Ongoing</p> <p>June 2014</p> <p>September – December 2014</p>
<p>R10 That:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• The Select Committee would like to express strong support for the Ashford Spurs signalling project for</li> </ul>	<ul style="list-style-type: none"> <li>• KCC will follow up the Strategic Business Case submitted to government for investment at Ashford station</li> <li>• Kent Brussels Office and KCC transport officers will seek financial support from European programmes for Phase 2 of the Ashford Spurs development.</li> <li>• Following meetings with Network Rail and the</li> </ul>	<p>Ongoing</p> <p>Completed*</p>



<p>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.</p>	<p>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.</p> <ul style="list-style-type: none"> <li>• KCC will continue to make the case to Eurostar for the further use of Kent's International Stations.</li> </ul>	
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\*On 9 April 2014, the Interreg IVB North West Europe Steering Committee approved the commitment of £260,000 from the programme to fund Phase 2 (planning and design) of the Ashford Spurs project. Together with £260,000 from UK sources, this will meet the estimated costs of Phase 2 and pave the way for the implementation phase.