



CONSULTATION PAPER FOR ALL COUNCILS

A £300 million+ opportunity

NORTHERN IRELAND EU OPERATIONAL PROGRAMME 2014 – 2020 FUTURE DELIVERY CAMPAIGN FOR LOCAL AUTHORITIES

A. Foreword

NILGA asks councils to reflect and comment on the future delivery mechanisms to optimise the investment of ***an estimated minimum £300 million*** derived from the EU Structural Funds and supporting regional and local budgets, for the period 2014 – 2020.

This consultation paper seeks corporate views on an opportunity for councils in NI to enhance their leadership and delivery roles by more substantially co-ordinating, distributing and accounting for investment in their local communities at a time when such leadership and investment has never been more necessary and can now, through sector led change, be enabled through a plan-led delivery and with councils as strategic drivers.

The consultation should be seen as a “stepping stone” in a process requiring ***further development in partnership with all local authorities*** and the wider local government sector / government departments. It is therefore part of a continued campaign to further determine stronger local government in practice.

It presupposes nothing except the delivery of EU Funds within a ***locally driven*** set of criteria managed and accounted for locally and sub-regionally, with ***communities and councils*** at the fore.

The consultation offers local government a proactive rather than a reactive approach to this critical issue. It lays out a way in which communities and local economies can gain from the prize of an optimised, more focussed, draw down of EU Structural Funds and supporting budgets, with local economies driving spend, rather than being driven. NILGA recognises the work of specific councils and sub-regional bodies in regard to this matter and has co-developed and taken cognisance of several key initiatives, including the development of a single, collective, all council partnership for the 2014 – 2020 period.

The Association is now seeking to present an all NI position for councils, whilst recognising that local and sub regional approaches will and should occur.

B. The need for change

The 2014 – 2020 EU Structural Funds present economic, social and political opportunities for all tiers of government and the citizens of Northern Ireland. The success of future regional EU investment SHOULD BE built on subsidiarity (greater local decision taking) and partnership between the two tiers of government. It should greatly assist the delivery of the NI Executive's Programme for Government (PFG) 2011 – 2020, including those aspects to be determined by councils, namely regeneration, local economic development and community planning.

There is a compelling need to fully consider a new model to deliver the **local government** elements of the next round of EU investment. Greater local decision making, leaner, council co-ordinated and managed administration and audit, and a structure which enables councils and communities to deliver Plan led, rather than Managing Authority led, investment programmes will avoid the high administration and low spend ratios which have prevailed across the majority of present Structural Funds (e.g. Competitiveness Programme for SME's, £30 million estimated under-spend).

C. Guiding principles

The rationale for change is based on several key principles, which are all underpinned by **(i) improvement and (ii) democracy**. The new model for delivery should be built around:

- A need for councils to be empowered to deliver EU funds where needed most at a local level;
- A need to improve the governance, flow and delivery of the funding application processes and their outcomes;
- A reduction in bureaucracy and administrative burdens;
- An increase in the accessibility of **additional EU funds** by councils & partners;
- Harnessing existing staff with EU / Project Development / Administrative / Financial Programme experience (and creating new development opportunities);
- Addressing **substantial Programme under spend** amidst austerity, increased regulation and budget cuts;
- **Transferring to communities and local economies administrative savings** through effective collaboration within a lean, inter-dependent, all NI, sub regional and local structure.
- Increasing control and influence for communities and businesses over EU programmes and services delivered in their area, **via elected councils**.

D. The delivery model

Any new model of delivery should offer a **Northern Ireland Local Government strand** through the creation of a collective council **Local Government Regional Investment Group** for EU Operational Programmes 2014 – 2020. It will create an **integrated programme** aimed at optimising EU investment opportunities, driven by councils.

It is also recognised that in present and previous Structural Funds processes, **the absence of a collective group** led to fragmentation, and investment - £££ - *lost to local communities and returned to the Exchequer or Brussels*. The model can bring together political and practitioner representatives from each of the proposed 11 councils, in order to:

- Assess progress and barriers to progress during 2014–2020, taking action to avoid under-spend and getting **higher percentages of investment spent within local economies**;
- Share data and obtain new, critical information regarding **planned, additional investment opportunities** available from the EU and other trans-national funds via NILGA's Knowledge Bank service;
- Collectively, as a sector, bring **full membership weight to all council, local and sub-regional lobbying campaigns**;
- Refine and focus the work of **Monitoring Committees** and achieve greater council driven change within these;
- Determine succession management funding, investment planning, resource pooling and contemporary delivery processes aligned to a regional, collaborative network demonstratively, politically and practically taking forward the principles espoused in the Improvement, Collaboration and Efficiency Programme (I.C.E.).

As per other EU jurisdictions, **sub delegated authority** for budget control and overall accountability can be given to councils from existing managing authorities (central government departments and agencies such as DETI, DARD and DSD). There are many departments, performing similar audit, programme management and programme revision roles, demanding separate administrative requirements, audit trails and back office resources from councils and communities.

The new model must create enhanced **local decision making** within national / regional frameworks - a council controlled and co-ordinated fund, driven at the core by each local authority's community plan, with investment drawn from the variety of funds which will prevail during 2014 – 2020. The model can therefore put outcomes not processes first, by offering **primacy to the community plans. The community plan and the council will have primacy.**

All EU funds – including European Regional Development Funding for SMEs, the European Social Fund, the NI Rural Development Fund and - through enshrined, autonomous but linked structures which will prevail, Interreg and PEACE, would be managed in a Plan led, inter-dependent way. In a completely new working environment, the *authority and autonomy of the*

new councils can be established and will be unequivocal. Each new council would maintain its communication channels with each government department. Any new model would simply and effectively give a regional dimension to these, and the Local Government Investment Group would be a forum for *dynamic, integrated assessment of progress.*

(E) Definition and role of key bodies

(i) Northern Ireland Managing Authorities

As before, MAs would be responsible for the overall effective delivery of programmes as set out in EU regulations. However, for 2014 – 2020, NILGA seeks primacy **of councils** and DFP through sub delegation. This prevails in neighbouring jurisdictions and based on effective delivery through collaboration will reduce the total administrative and audit burdens forced upon councils.

All MAs would negotiate with councils the elements (priorities, funds) of the Northern Ireland plan to be delegated to them. Councils would be in a position to design content not just receiving funding for what others see as eligible. Managing Authorities (MA) would continue to run the rest of the operational programmes in whatever way they see fit.

(ii) Local Government Regional Investment Group

This Group will be accountable to and consist of representation from the 11 councils, together with the DFP as Managing Authority (MA). Should sub delegated authority not be achieved, other MAs can be represented.

It will build upon the two key foundations of **effective delivery and democracy**, and, therefore, can seek membership of one councillor and one senior officer from each council.

With NILGA offering a co-ordination and secretariat service presently, for I.C.E. and for Monitoring Committees (DFP), this service would be channelled into the LGRIG.

The Group, which ultimately could take the form of a Joint Committee, but initially would be a voluntary coalition with all council membership, reflecting the governance existing within the Regional Governance Group of I.C.E. It can reflect and be determined by the wider Local Government Reform processes and will be strategically led by the 11 councils, with elected member and senior officer representation. Initially, a mechanism can be established to trigger investment in each of the 26 councils until April 2015, as 2014 – 2020 Structural Funds may become available some months in advance of the new 11 council model.

(iii) NI Local Economic Development Forum / SOLACE

NILEDF is an all NI, council senior practitioners' group, comprised of directors and managers involved in policy planning and delivery of council's economic development interventions. It reports to councils, and is supported by SOLACE and NILGA.

(iv) NILGA

The Association's role will remain largely unchanged, but will be refocused to provide enhanced outcomes and to ensure absolute recognition of the changing environment above mentioned.

It will, however, continue to support all councils and provide best practice (ex NI) technical advice, key data and information on additional investment opportunities, the resources of the wider LGA Group's European teams and regional political leadership.

Secretariat support, as presently, will also incorporate elected member development, experiential training and action research, together with publicity.

NILGA's 2012 – 2016 Corporate Plan, approved by its member councils and stakeholders including DoE, supports and determines such work within three of its four corporate themes.

Operational and local policy work will be developed entirely by councils / sub regional groupings themselves.

(v) Cross-border and regional cluster groups

There remains a statutory imperative to maintain a cross-border structure within the proposed OVERALL Programme, potentially working with a single council-led Investment Group – the functionality of which is highly likely to be integrated into the 11 Council model also being determined by the IRL council set up.

(F) Suggested timetable / next steps

- 1. Councils and other key stakeholders consulted with in regard to overall principles and objectives (Nov 2012 – Jan 2013)**
- 2. Critique of / development of proposed structures presented to key determining bodies (Nov 2012 – Feb 2013)**
- 3. Elected member / senior officer Engagement Event/s (Jan / Feb 2013)**
- 4. NI Chapter of UK/EU Partnership agreement drafted, and forwarded to BIS for Whitehall consultation (early 2013)**
- 5. NI EU 2014- 2020 public consultation (DFP and NI Executive, Feb – May 2013)**

(G) A focus for consultation

By way of conclusion and in advance of further consultation, stakeholders are asked to consider the following key questions relevant to the development of a new model:

Q 1: Do you agree or disagree with the over-arching need to fundamentally review as a sector the present structures and criteria determining spend and outcomes in advance of the planned suite of 2014 – 2020 Structural Funds?

Q 2: Do you consider the principle of council led, co-ordinated and community plan driven spend – allocating funds from several investment sources through sub delegation – to be worthy of pursuit?

Q 3: Do you consider it appropriate to determine the operational delivery of Interreg V as a separate issue?

Q 4: Would your council wish to input into and gain from a collective forum such as the Local Government Investment Group referred to (see also Appendix I for a spatial illustration) to bring issues, forewarnings, good practice, analysis and new opportunities to an elected member group supported by senior officials, whilst still being the determinant of its own fund management?

Q 5: Notwithstanding the sub delegated authority issue, do you support the lobbying initiative designed to provide NI councils with a first time opportunity to aggregate funds at council level in order to develop Plan led, local economy driven, utilisation of EU and related investment?

NILGA will convene two engagement events on Wednesday 23rd January (Larne, 10am-1pm) and Friday 25th January (Cookstown, as part of NILGA's Full Members Meeting, 10am-1pm) 2013. Councils will be advised of participation details in due course and there will be no attendance charge.

Thank you for your corporate response, which should be provided no later than **Friday 25th January 2013.**

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