



## **“It’s Only Brussels?”**

### **The West Midlands Region’s Relationship with Europe**

#### **Strategic Review 2006 – 2007**

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## 1. **Introduction**

- 1.1 In the course of fulfilling its statutory<sup>1</sup> role of scrutinising Advantage West Midlands (AWM) activity, it has become apparent that the West Midlands Regional Assembly (WMRA, known as the Assembly) could play a key role in examining wider issues of concern within the Region. We therefore adapted our scrutiny model and introduced Strategic (or thematic) reviews. These examine how regional partners address wider cross cutting issues and relate to commitments agreed to within the West Midlands Regional Concordat (see Paragraph 6.6).
- 1.2 This process is governed by the Scrutiny and Strategic Review Protocol agreed between the Assembly, AWM and Government Office for the West Midlands (GOWM).
- 1.3 The Strategic Review Group (responsible for the scrutiny and strategic review function on behalf of the Assembly), in 2005, identified European working as a subject for review.
- 1.4 The purpose of this report is not to summarise all the evidence submitted but to discuss those issues that we have identified as being crucial to the Region, draw conclusions and make recommendations. We have chosen the title of "It's only Brussels?" to demonstrate that complicated arrangements are not necessary in order to engage with the European agenda.
- 1.5 As with previous strategic reviews, it should be emphasised that this report is intended to be a starting point for future regional activity providing recommendations for structures and priorities that will be required to be implemented by all partners working together.

## 2. **Recommendations**

- 2.1 As a Panel we believe that engagement with the European agenda is essential to the future development of the Region. However we believe that the way in which we, as a Region, engage with Europe needs to change. Remaining the same is not an option. The following recommendations focus on how engagement with Europe should be taken forward. Implementation of these will require co-ordination, leadership and appropriate resourcing. Progress made will be monitored by

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<sup>1</sup> The Regional Development Agencies Act 1998 requires RDAs to have regard to any views expressed by the (Chamber) Assembly.

the Strategic Review Group.

- R1 That the European and International Partnership leads the development of a new Regional European Strategy with well developed objectives that will provide a clear direction for European activity at the regional level. This should be completed by April 2008 at the latest.
- R2 That the European and International Partnership develops an appropriate mechanism for monitoring and revision of the new Regional European Strategy including milestones, performance indicators and reporting processes. An annual report on progress and developing priorities should be submitted to the Assembly in October commencing 2008.
- R3 That senior Members and officers from West Midlands Regional Assembly, West Midlands Local Government Association, Advantage West Midlands and Government Office for the West Midlands, following meaningful consultation with wider partners, agree a new simplified structure to replace the current confused governance arrangements. A proposal should be submitted to the appropriate structures during April 2008.

This will provide strategic direction and co-ordination for European working at the Regional level. We have identified the following options for consideration during this process, however this is not an exhaustive list:

- a) That the European and International Partnership takes responsibility for the management of West Midlands in Europe with effect from April 2008. A new small EIAP sub group is established to deal with operational issues (pay and rations) to meet six monthly.
- b) That the existing West Midlands in Europe Management Board and Audit Committee are wound up with effect from April 2008 and that the West Midlands Local Government Association Resources Panel <sup>2</sup> take responsibility for WMiE audit arrangements in line with the establishment of WMiE as a special interest group of WMLGA.

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<sup>2</sup> The Resources Panel acts as an Audit Committee for WMLGA

- c) That the European and International Partnership and West Midlands in Europe are wound up in April 2008 to be replaced by a new Regional Partnership body to lead on European working including management of the regional office in Brussels.
  - d) That West Midlands in Europe is changed from a special interest group of West Midlands Local Government Association to become a separate organization with its own independent management structure by April 2009. This will allow the development of formal service level agreements and contracts to deliver services in Brussels on behalf of Regional partners.
- R4 That West Midlands Local Government Association and Advantage West Midlands as Managing Partners of West Midlands in Europe, against the background of the new European Strategy and revised governance arrangements, lead a revision of the form and function of WMiE to be completed by September 2008. This should provide clarity of role, areas of activity and operational arrangements.
- R5 That the Regional European Funding and Policy Group build on the mapping exercise carried out to inform this review, to inform officers of existing groups and to rationalise numbers and reporting lines where possible. Where appropriate these should be linked and outcomes, including minutes, shared via use of existing websites. Progress should be reported to EIAP or its equivalent on a six monthly basis.
- R6 That West Midlands Regional Assembly develop a planned approach for closer working between the European and other policy areas supported to include officer and Member structures. This should be agreed by September 2007 and progress reported to the European and International Partnership or its equivalent on a six monthly basis.
- R7 That the European and International Partnership or its equivalent, leads the development of engagement mechanism between MEPs and Regional partners based on specific policy interests and relevant regional priorities. This should be completed by June 2009 and be disseminated to all officers supporting Regional Policy Partnerships.
- R8 That the WMLGA works with Committee of the Regions Members to develop formal arrangements by January 2008 that provide

- support for CoR Members that complements that already provided at a national or local level. This should also provide a mechanism for CoR Members to report activity and discuss issues at plenary sessions of the WMLGA.
- R9 That accessing and utilising European funding is seen as an integral part of the Region's new strategy for European working and that the European and International Partnership or its equivalent, receive appropriate monitoring reports on a regular basis.
- R10 That Regional Partners led by West Midlands Regional Assembly, West Midlands Local Government Association and Advantage West Midlands, identify appropriate funding and staffing arrangements in the light of the new strategy to ensure delivery of its objectives. This should take account of the need for an equitable and effective balance of staff and resources between the regional office in Brussels and within the Region.
- R11 That the West Midlands in Europe Director and the West Midlands Regional Assembly Director of Policy ensure that links are developed between WMiE staff and non European specialists working at the regional level. This will enable the development of a clear understanding of regional priorities and the European dimension that impacts upon them. A methodology to achieve this should be submitted to the Regional Partnership Senior Management Team in June 2007.
- 3. Review Methodology**
- 3.1 This assessment was carried out using a Panel hearing approach. All Assembly Members were asked if they wished to participate in this process. Subsequently a Panel including a number of co-opted members was identified. The Panel has full delegated responsibility for the review process and its outcomes; and this report reflects our collective view.
- 3.2 The Strategic Review Group agreed that the aim of the review should be to assess the effectiveness of regional activity in securing and utilising European funding for the West Midlands Region. We developed and agreed the Terms of Reference within this broad aim (see Appendix 1). As we took evidence it became apparent that the approach to European engagement at a Regional level had developed in an ad hoc manner. In itself

this is not a bad thing; we would expect that the approach to any policy area would develop over time and in response to changing circumstances. However we are concerned that the Region has allowed its response to the European agenda to drift over recent years with lack of strategic direction exacerbated by confused governance arrangements, an imbalance in the distribution of resources, and an excess of information over intelligence. This report addresses these issues and makes recommendations that we believe will lead to more effective engagement.

- 3.3 We consulted on a draft version of this report in accordance with the Scrutiny and Strategic Review Protocol. We would like to thank respondents for their comments and have amended this report as a consequence. The final report will be submitted to the Full Assembly meeting on 25 April 2007 for discussion and endorsement.

#### 4. **Panel Membership**

- 4.1 The Panel is made up of Assembly Members or Alternates. Panel Members are self-selecting with no requirement to ensure formal sectoral or political balance. Additionally, non Assembly Members have been co-opted in order to bring additional knowledge or expertise to the Panel. Composition is as follows:

Roger McKenzie (Panel Chair)	West Midlands TUC Other Stakeholder Group
Cllr Mrs Veronica Fletcher (Panel Vice-Chair)	Telford and Wrekin Council – Co-opted member
Cllr Philip Atkins	Staffordshire County Council
Professor Michael Clarke	University of Birmingham West Midlands Higher Education Association and West Midlands Business Council
Cllr Mrs Pauline Dee	North Shropshire District Council Co-opted member (CLRAE)
Cllr Mick Jones	Warwickshire County Council
Cllr Paul Middlebrough	Wychavon District Council
Dr Chris Newis	West Midlands Co-Operative and Mutual Council West Midlands Business Council
Cllr Tony Ward	Sandwell Metropolitan Borough Council
Cllr Milner Whiteman	Bridgnorth District Council

Co-opted member (CoR)

4.2 A thumbnail sketch of each Panel Member can be found in Appendix 2. Not all Panel Members were able to attend each evidence session; they were, however, involved in the identification of recommendations and in the approval of this report.

4.3 The Panel was supported by the following Assembly officers

Dagmar Waller	Regional Scrutiny Manager
Daryl Davies	Regional Scrutiny Support Officer
Esther Knight	Strategic Advisor - Europe and International

The role of the Strategic Advisor - Europe and International was to provide background information and to clarify issues. During the course of the review we recognised a potential conflict of interest. This was addressed through non-attendance at certain evidence sessions and Panel discussions.

## **5. Evidence Presented**

5.1 The Assembly does not have the power to summon witnesses to Panel Hearings. We held fifteen evidence sessions between 14 September 2006 and 2 February 2007. These included a fact-finding visit by a sub-group of the Panel to the West Midlands in Europe (WMI<sub>E</sub>) offices in Brussels. We would like to take this opportunity to thank Susanne Connolly from West Midlands in Europe for her assistance both prior to and during this visit.

5.2 In addition, we held group discussions with members of the European and International Affairs Partnership (EIAP), WMI<sub>E</sub> Board and European practitioners from across the Region. We also considered written evidence including formal submissions, supporting or additional information from those attending the hearings and background papers and reports.

5.3 We would like to thank those who agreed to contribute to the process. They were frank and open and provided us with much to discuss and consider. Unfortunately it was necessary to balance our wish to talk to as many parties as possible within the time and resources available. We would like to apologise to any individual or organization that wished to participate but were not

able so to do. A list of the written evidence considered is set out in Appendix 3 of this report with a list of the review participants in Appendix 4.

- 5.4 Detailed reports of the evidence sessions will be available on West Midlands Regional Assembly website ([www.wmra.gov.uk](http://www.wmra.gov.uk)). Further details regarding this review can be obtained from Dagmar Waller, Scrutiny Review Manager, telephone 0121 678 1054 or email [d.waller@wmra.gov.uk](mailto:d.waller@wmra.gov.uk).

## 6. **Context**

- 6.1 Appendix 5 provides a brief overview of the history, aims and structures of the European Union. This provides the context for the Region's approach to European Engagement.

### **European Working at the Regional Level**

- 6.2 Although individual organizations have been engaged in the European agenda for some years, the first regional approach was led by the West Midlands Forum of Local Authorities. The Forum established the European Committee and built upon the existing small Birmingham City Council office in Brussels which became the Birmingham and West Midlands Office. This was supported by contributions from Local Authorities across the West Midlands.
- 6.3 The West Midlands Regional Forum of Local Authorities evolved into the West Midlands Local Government Association (WMLGA) in 1997. It continued to have a European Members Group and to support an office in Brussels.
- 6.4 The creation of Regional Development Agencies and Regional Assemblies in 1999 brought a wider dimension to regional working. To reflect this, the WMLGA European Members Group evolved into EIAP under the aegis of the Assembly. The role of the office in Brussels became broader, representing the different sectors engaged in regional working. In 2000 this was established as a special interest group of WMLGA with its own Management Board and was renamed West Midlands in Europe. This is funded via subscription and is underwritten by WMLGA and AWM who act as Managing Partners and are responsible for any incurred debt.
- 6.5 The aim of developing regional structures was to provide a co-ordinated approach to European engagement at a regional level. At the same time individual organizations and associations have

continued to develop their own engagement with the European agenda either around specific agendas or funding opportunities. It is not the remit of this review to assess the effectiveness of individual organizations.

### **West Midlands Regional Concordat**

- 6.6 The Regional Concordat provides a framework for working at the regional level. It has 16 signatories who have agreed to work together to achieve its commitments including one to European working which states

*"The Partners are committed to working together on the EU and international agenda through the framework of the European Strategic Framework and International Strategy. The progress of regional working on European and international activity during the last two years has been impressive. Taking its lead from the EU's overarching 'Lisbon' agenda for increasing competitiveness, jobs and growth within member states, the Partners are concentrating on a small number of key policy fields and strategic projects. Partners are committed to a structured approach to working with other EU regions and to maximise the Region's access to EU funding, in particular research and development funding, innovation and lifelong learning, in addition to more traditional 'structural' funding."*<sup>3</sup>

- 6.7 In the context of this report we have identified five key "players" in the European field working at a regional level: Government Office for the West Midlands, Advantage West Midlands, West Midlands Local Government Association, the European and International Affairs Partnership and West Midlands in Europe. The following is intended to provide a brief outline of their key areas of activity.

### **Government Office for the West Midlands (GOWM)**

- 6.8 Government Offices (GOs) were established in 1994 in each English region to bring together previously separate government programmes. Government Offices now work on behalf of ten government departments to: drive the implementation of government policies in the Region; provide performance and policy feedback about government policies; lead for the government in negotiating with local areas on Local Area Agreements and place specific policies and support the

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<sup>3</sup> West Midlands Regional Concordat July 2005

development of regional strategies.

- 6.9 GOWM's main role in respect of European working is managing the structural funds programmes for Objectives 2 and 3 2000-2006. (See Appendix 6). This is carried out via the Programming Monitoring Committee (PMC), chaired by the Regional Director of the Government Office and a Secretariat made up of civil servants and secondees from other organizations. This management role will not be required under the new operational programme as responsibility for ERDF will be transferred to AWM in line with national policy; ESF will be managed as a national programme. GOWM is involved in the development of the new Operational Programme, participating in thematic sub groups looking at particular aspects and acting as a joint lead with Advantage West Midlands in the drafting process. It will also lead on the negotiations on the Operational Programme with the European Commission.
- 6.10 GOWM has also been involved with regional partners in a number of European initiatives including the Industrial Change Network (funded under Interreg IIIC) and co-operation arrangements with the Lower Silesia and Lodz regions in Poland. In addition GOWM seconded a member of staff to WMiE to act as a European Transnational Advisor encouraging the West Midlands to derive greater benefit from non structural funds. This secondment ended in June 2006 and the role is being taken forward by the Transnational Working Advisor within AWM.

### **Advantage West Midlands (AWM)**

- 6.11 AWM is the Regional Development Agency for the West Midlands. It is responsible for the economic development and regeneration of the Region within the framework of the West Midlands Economic Strategy (WMES). It has a budget of £309.3 million for 2006/7 made up of a single pot contributed to by a number of government departments. It also has successfully obtained funding from a variety of European funding programmes. AWM has made a significant commitment to developing the Region's approach to European engagement. Senior officers are members of EIAP, PMC and the WMiE Board. It is a key funder and Managing Partner of WMiE providing €558,000 (£381,000)<sup>4</sup> in the 2006/7 financial year.

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<sup>4</sup> Evidence has been presented in either Euros or Pounds Sterling. In this report figures are shown as provided to us with the other currency within brackets based on exchange rates as at 6 March 2007

- 6.12 AWM will manage the Regional Competitiveness and Employment strand within the 2007-13 Structural Funds programme and is currently consulting on the process for this. It has a small European Team (3.5 fulltime equivalent) that is seeking to improve the Region's performance on EU programmes focussed on research, innovation and development. This team also encourages sharing and exchange of information across the EU and works to embed any initiatives within the appropriate part of AWM or partners.
- 6.13 AWM runs an EU Research, Development and Innovation Group which brings together agencies and institutions interested in this area in order to be able to respond effectively to EU funding opportunities.

**West Midlands Local Government Association (WMLGA)**

- 6.14 The Association represents all 38 Local Authorities in the Region, with a commitment to represent and promote the interests of the population of the West Midlands and the Local Authorities that serve it at a regional level. It is funded by subscriptions from its Members and by income generated by provision of services including training. It acts as a nominating body for the Assembly and its constituent bodies and works closely with it on a range of policy areas including European working. The two organizations are co-located, share back office systems and more recently a joint Chief Executive, Regional Partnership<sup>5</sup> was appointed in September 2006.
- 6.15 WMLGA does not have Member structures that duplicate the Assembly's Partnerships but instead has a system of Portfolio Holders or Lead Members. Portfolio Holders are generally Assembly Board Members and chair the appropriate Assembly Partnership. WMLGA also nominates representatives for the WMiE Board and the PMC.
- 6.16 WMLGA is a Managing Partner and key funder of WMiE providing £200,000 (€293,000) in 2006/7. It is the employing body for WMiE staff and underwrites WMiE activity. It also provides administrative support for EIAP, WMiE Management Board and Audit Committee. Policy support is provided by the Strategic

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<sup>5</sup> The Chief Executive's role is to lead and manage an integrated approach to regional partnership for a "family" of organizations made up of WMLGA, WMRA, WMiE and WMCoe (West Midlands Centre of Excellence)

Advisor – Europe and International. The WMiE Director is a member of the Regional Partnership Senior Management Team with line management provided by the Chief Executive, Regional Partnership.

### **European and International Affairs Partnership (EIAP)**

- 6.17 EIAP is one of seven Policy Partnerships of the Regional Assembly<sup>6</sup> and leads on European issues. Its purpose is to provide the means for agreeing a single, coherent, cross sector voice on European policy issues of importance for the Region. It provides a wider policy context for the work of West Midlands' partners and the WMiE Brussels office. EIAP takes a lead in producing a European strategy for the Region, providing formal responses to a range of government consultations, establishing a steering group to produce the programme document for the 2007-13 Structural Funds and setting a framework for Region to Region working within the EU. It also works with partners to deliver the European Strategy and to try and influence European regions and networks.

### **West Midlands in Europe (WMiE)**

- 6.18 WMiE was founded in 2000 as a regional cross sectoral partnership funded via subscription. Currently it has 34 subscribing partners and works, through these, with 93 organisations across different sectors (see Appendix 7). The partnership supports a regional office in Brussels. In 2006 West Midlands European Centre, run by WMiE, was set up as a separate Not for Profit organization in Brussels to allow wider income generating activities to supplement the core work of WMiE.
- 6.19 The aim of WMiE is to represent and promote the interests of the Region and its subscribing partner members in the EU and to encourage West Midlands' participation in EU funding and other opportunities. WMiE works with EU institutions, including West Midlands MEPs and CoR Members and other European and Brussels based organizations. It advises regional partners on the implications of evolving EU policy, funding and legislation.

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<sup>6</sup> These are planning, housing, transport, environment, equalities and diversity, health and European and international

## 7. **Research**

7.1 Throughout the review we utilised existing information and research however we identified the need for more information in three specific areas. As the review process developed it became apparent that this information, although informing our considerations, would be of greater value to those who will be implementing our recommendations. Accordingly full reports in respect of each of the following areas will be made available on the Assembly website ([www.wmra.gov.uk](http://www.wmra.gov.uk)) following endorsement of the final report by the Assembly.

### Mapping of Officer Groups

7.2 It quickly became apparent that there are a significant number of European officer groups working at a Regional level. The purpose of this independent research was to develop an evidence base that will clearly map the levels of regional strategic officer group activity and engagement in the European agenda. This was carried out by the use of questionnaires and interviews and its outcome was therefore dependant on the responses received. Eighteen questionnaires were returned from an initial contact list of 144.

### Local Authority Engagement

7.3 We wanted to identify how individual Local Authorities within the Region engage with European and International activity. Questionnaires were sent to all 38 Local Authorities and nine responses were received.

### Approaches in Other UK Regions

7.4 This examined how the devolved administrations and other English Regions have structured European and International activity. Again questionnaires were used and responses received from all English Regions and from the Welsh Assembly Government. In addition the West Midlands Regional Assembly's Strategic Advisor, Europe and International completed the questionnaire in respect of this Region.

## 8. **Strategic Direction**

8.1 The regional approach to European working has evolved over a lengthy period of time in response to changes in structures and priorities both within the Region and in the EU itself. We are concerned by the frequent comments made about the lack of real vision or strategic direction, the need to understand our objectives and what we want to achieve from being involved in

## European working at the Regional level

- 8.2 We had expected to find that partners had agreed a number of clearly defined aims. Hopefully these would have formed the basis of a Regional strategy with an action plan, milestones, responsible organizations and monitoring arrangements. From the evidence presented there is a broad consensus of the importance of engagement in the European agenda. This does not appear to have been translated into a structured approach.
- 8.3 We welcome the European commitment within the Regional Concordat but are disappointed that the current Regional European Strategy fails to provide a vision or aspirations for the region.
- 8.4 The European Strategic Framework referred to in the Regional Concordat (see Paragraph 6.6) was developed primarily by consultants and adopted by EIAP in February 2003. In February 2005 EIAP established a small task and finish group to review this Strategy. This group was made up of officers from GOWM, WMLGA, WMRA, WMiE and AWM. It developed a shorter West Midlands Strategy and Action Plan that was subsequently agreed by EIAP. This referred to the aspiration in the original strategy that
- “the West Midlands ... become recognised as a world class region through being fully engaged and having a powerful voice in Europe, in particular the European Union”.*
- 8.5 We are concerned that the key aim for European engagement at the regional level appears to be to be seen to be engaged rather than to identify objectives for engagement. The means have become the end.
- 8.6 The Strategy then details an Action Plan for 2005 including three themes and five key projects. It has not been revised since that date. Evidence, particularly from practitioners, demonstrates that the current strategy appears to be little known and used even less, perhaps understandable given its content.
- 8.7 It is clear that there is a need for a high level document that clearly sets out what the Region wants to achieve. Any regional strategy must focus on areas where regional co-operation adds value. It must be robust, have clear aims and objectives with

clarity of responsibility and monitoring and review arrangements. It should also retain an element of the existing strategy which states that

*“the aim is not to gate keep or prevent other European or international activity and projects from proceeding”.*

- 8.8 It is also essential that any new strategy has ownership from those bodies and organizations operating at the Regional level. It is also important, but more difficult, to obtain “buy-in” from wider partners across the Region including our elected representatives in Europe. It needs to draw together the different facets of European engagement including but not solely focusing on funding in order that this can influence the variety of policies discussed at the regional level.
- 8.9 The development of this will not be easy and we would urge that the approach adopted is similar to the bottom up, consultant free, approach used in the developing the Regional Health Strategy, which at the time of writing is in the consultation phase. A starting point for this could be the annual joint EIAP/WMiE event that is expected to take place in autumn 2007. This would allow time for the completion of the new Operational Programme that has understandably been the main focus of activity in recent months. The process will be informed by the outcomes of current consultation in respect of the West Midlands Regional Spatial Strategy (WMRSS) and WMES policy options and the WMiE Business Plan.
- 8.10 European working should influence or enable other policy areas and not be a discrete activity. We would therefore expect that European working at the regional level would be influenced by regional priorities. We were pleased to see that the Structural Funds Operational Programme has and is being influenced by the WMES. The current programme is designed around the four pillars of the WMES<sup>7</sup> with the new programme, currently being developed, also reflecting economic priorities.
- 8.11 We are less convinced that other areas of European activity have been influenced by Regional priorities as articulated in the WMES, WMRSS or Regional Sustainable Development Framework

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<sup>7</sup> Developing a Diverse and Dynamic Business Base, Promoting a Learning and Skilful Region, Creating the Conditions for Growth, and Regenerating Communities

(RSDF). We are also concerned that the European dimension is often not considered within specific strategies.

### **Recommendations**

- R1 That EIAP leads the development of a new regional European Strategy with well developed objectives that will provide a clear direction for European activity at the regional level. This should be completed by April 2008 at the latest.
- R2 That EIAP develops an appropriate mechanism for monitoring and revision of the new Regional European Strategy including milestones, performance indicators and reporting processes. An annual report on progress and developing priorities should be submitted to the Assembly in October commencing 2008.

We believe that these recommendations will result in the development of an effective and robust strategy. But this will only benefit the Region if there are appropriate and effective mechanisms to deliver it. The remainder of this report addresses this aspect of regional working.

### **9. Governance Arrangements**

- 9.1 Over recent years, regional partners have developed governance structures for policy areas addressed at a regional level. These broadly follow the same format with a partnership body made up of representatives of appropriate organizations usually including Assembly members (from all sectors). These tend to meet quarterly and provide strategic direction.
- 9.2 EIAP is part of this structure and is supported by officers within the Assembly and WMLGA therefore providing a clear governance structure. However, as we seem to have found with all things European, governance arrangements are much more complex.
- 9.3 There is a separate governance structure for WMiE, with its own Board, Secretary (currently the Chief Executive North Warwickshire Borough Council), and Audit Committee.
- 9.4 In addition the PMC is responsible for the current round of structural funds and there will be a similar arrangement for the 2007-2013 Operational Programme. The PMC is an EU requirement with clearly defined and focused responsibilities. Their structures and actions are subject to EU review processes and therefore we do not intend to make any specific comments

regarding them in this report.

- 9.5 There is no doubt that we have a mature approach to joint working within the Region. We believe that this very maturity will allow issues to be resolved that have been glossed over in the past. It is not our intention to underestimate or criticise partners' commitment to joint working on the European agenda. We do, however, question the complexity of current arrangements and believe that this and the extent of duplication are acting as a barrier to effective regional working. This is a significant factor in the lack of strategic direction discussed in Section 8 of this report.
- 9.6 Evidence presented offers a confused picture of respective roles and responsibilities of EIAP and the WMiE Board. Officers prepare very similar reports for both bodies which tend to meet on the same day (with the exception of one quarterly meeting when the WMiE Board meets in Brussels). There is significant overlap in membership (see Appendix 8) although to an extent this has been a conscious decision to ensure some coherence.
- 9.7 These issues are not new. In February 2005 an officer group established to review the European Strategy (see Paragraph 8.4) identified a need to rationalise structures and maximise use of resources. This led to a proposal to merge the two bodies under a new and broader WMiE partnership. For various reasons, including political acceptability, this proposal was not progressed although in September 2005 both the Assembly Board and WMLGA Executive agreed "*a closer alignment of EIAP and WMiE through cross membership and co-ordination of objectives and activities*".
- 9.8 There have been positive changes in how structures have operated in the last twelve months. For example the recent change to holding EIAP prior to the WMiE Board has resulted in EIAP having more extensive policy debates that, prior to this seem to have taken place at the smaller WMiE Board. During our discussions with WMiE Board Members we were told of the need to further align EIAP and their activity and the extent to which officers work to prevent duplication. When talking to both bodies it became apparent that the relationship between them was still unclear despite the view that EIAP sets policy and WMiE is a delivery mechanism.

- 9.9 We are moving into a period when expected restrictions on public sector expenditure will have an impact on how Regional partners support European working (see Section 14). It is therefore essential that regional partners work “smarter” to make best use of the available resources, including officer and Member time. We feel that, despite improvements, the current governance arrangements are inappropriate and inefficient. We believe that the West Midlands needs a strategic Member body within the Assembly structure to co-ordinate activity at the regional level, identify key issues and ensure integration with other policies.
- 9.10 We agree with those who have given evidence that form should follow function. Therefore when regional partners collectively identify what they want to achieve, they can then decide the most appropriate structure to achieve it. Although we would not wish to dictate the detail of such a structure we have made a number of recommendations that we believe will form the basis of a wider regional debate.

### **Recommendations**

- R3 That senior Members and officers from WMRA, WMLGA, AWM and GOWM following meaningful consultation with wider partners agree a new simplified structure to replace the current confused governance arrangements. A proposal should be submitted to the appropriate structures during April 2008.

This will provide strategic direction and co-ordination for European working at the regional level. We have identified the following options for consideration during this process, however this is not an exhaustive list:

- a) That EIAP takes responsibility for the management of WMiE with effect from April 2008. A new small EIAP sub group is established to deal with operational issues (pay and rations) to meet six monthly.
- b) That the existing WMiE Management Board and Audit Committee are wound up with effect from April 2008 and that the WMLGA Resources Panel<sup>8</sup> take responsibility for WMiE audit arrangements in line with the establishment of WMiE as a special interest group of WMLGA.

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<sup>8</sup> The Resources Panel acts as an Audit Committee for WMLGA

- c) That EIAP and WMiE are wound up in April 2008 to be replaced by a new regional partnership body to lead on European working including management of the regional office in Brussels.
- d) That WMiE is changed from a special delivery vehicle of WMLGA to become a separate organization with its own independent management structure by April 2009. This will allow the development of formal service level agreements and contracts to deliver services in Brussels on behalf of regional partners.

## 10. **West Midlands in Europe**

- 10.1 The aim of this review was not to examine the working of the WMiE office in detail, but only as part of the wider approach to engagement with Europe. WMiE is the visible face of regional engagement in Europe with an office in the centre of Brussels' European District. It consists of a Director, five policy staff and three support staff, and is the largest English Regional office in Brussels. Governance arrangements are discussed above.
- 10.2 WMiE has a projected income in 2006/7 of €1,553,624 (£1,059,882) made up subscriptions (65%) and income from rental of surplus office space (30%) and use of meeting and other facilities (5%). Its estimated expenditure for the same period is €1537953 (£1,049,192) primarily on staff and operational costs.
- 10.3 Its role is to represent the West Midlands in the EU, provide information and to facilitate contacts between regional partners and EU institutions. It also directly leads on two actions within the current European Strategy; to develop a West Midlands European Project support mechanism (West Midlands – EU Connects – see paragraph 13.5) and ERRIN (European Regions for Research and Innovation Network). Its direct lobbying is limited to where a consensus view has been achieved, for example the continuance of structural funds. More generally it will help its members to do this by providing information and support. There appears to be a lack of understanding of WMiE's role, even among its members.
- 10.4 We would agree that the key role for WMiE is to act as the eyes and ears of the Region. It can provide advance information in respect of the broad direction of and thinking behind European policies, obtained through informal networking arrangements.

- 10.5 Generally the staff is well respected and the office appears to have a good reputation. It certainly has the highest profile of all English Regional Offices but we are unsure if this is due to it being the largest rather than the most effective. Staff clearly work hard but their effectiveness is hampered by the lack of strategic direction from within the Region.
- 10.6 This situation has been exacerbated by the method of funding WMiE. We believe that the move to a membership organization, although understandable, has led to an uncertain financial future exacerbated by members facing financial constraints. The need to retain subscriptions and to meet the costs of prestigious premises, now acknowledged to be too large, has led to goal displacement with a concentration on income generation and the recent change to a company structure governed by Belgium law. Evidence presented makes it clear that key subscribers are considering leaving due to concerns with the service received for the costs incurred.
- 10.7 This naturally has an impact on the capacity within the office to deliver core activities. The membership structure also brings the dangers of a loss of focus and the need to balance possibly competing priorities. To overcome this there needs to be an open discussion about WMiE activity. To an extent this is the role of the WMiE User Panel which brings together representatives of members on quarterly basis to share information and discuss common issues. However it is clear from evidence presented that members have not always been involved in identifying priorities and activities and we believe that this has contributed to a drift in WMiE activity. For example, while the intention behind providing training courses in how Europe operates is laudable, we are concerned that WMiE may not be the most appropriate organization to do this and that these are inaccessible due to being held in Brussels. We are pleased that the process to develop the 2007/8 WMiE Business Plan includes a period of wide consultation.
- 10.8 WMiE's two main funders, WMLGA and AWM, act as Managing Partners in addition to providing eight of thirteen WMiE Board Members. We understand that this is intended to provide an additional level of overview particularly in respect of the use of resources. It appears from the evidence that the Managing Partners have singularly failed in the past to manage

effectively.

- 10.9 The consequence of the lack of clear direction and confused governance arrangements has led to decisions regarding work areas and priorities being taken in the Brussels office by staff who are not always perceived to have a clear understanding of the Region's priorities. This could have also contributed to poor response by regional partners to possible opportunities for engagement.
- 10.10 We have taken evidence over a period of six months and although we understand what WMiE does, we are still not clear about why the various activities are undertaken. There clearly needs to be a shared understanding across the Region about what WMiE does. We are surprised that such an extensively managed organization (Board, Secretary, Managing Partners and separate line management) lacks direction. We believe that the new strategy (Recommendation 1) and revised governance arrangements (Recommendation 3) must determine the future role for WMiE.

### **Recommendation**

- R4 That the WMLGA and AWM as Managing Partners of WMiE, against the background of the new European Strategy and revised governance arrangements, lead a revision of the form and function of WMiE to be completed by September 2008. This should provide clarity of role, areas of activity and operational arrangements.

### **11. Officer Support**

- 11.1 Generally Regional Partnerships are supported by officers in two ways, firstly by the provision of direct policy and administrative support and secondly by an officer group bringing together relevant expertise. Generally these officer groups are self supporting and inform the activities of the appropriate partnership.
- 11.2 EIAP is directly supported by the Assembly's Strategic Advisor, Europe and International and a WMLGA Regional Support Officer. As the lead, and only, officer for European issues for the Assembly, the Strategic Adviser is responsible for Assembly and WMLGA European activity. This post reports to the Chief Executive, Regional Partnership who has recently become the English Regions Network (the umbrella organization for English

- Regional Assemblies) Lead Chief Executive for European issues. The Assembly budget 2006/7 includes £15,000 to support the work of EIAP.
- 11.3 There is a clear imbalance of resources between the WMiE office in Brussels and those dedicated to dealing with European issues at a regional level within the Region. In addition to the Assembly's Strategic Advisor, an element of the AWM Head of European Policy's role is a requirement to work with regional partners. However, this post is part time. Other European officers working at the regional level take this on in addition to their normal duties.
- 11.4 The most senior graded Regional European post is that of the WMiE Director, who is based in Brussels. In the majority of other English Regions the senior post is based within the region. This post has two separate reporting lines, to the WMiE Board and to the Chief Executive, Regional Partnership.
- 11.5 European working is not a stand alone policy area and we were keen to examine the extent to which the European perspective is considered by other policy areas. Evidence presented clearly demonstrates that other policy areas being addressed by the Assembly do not generally consider the European perspective. There are notable exceptions to this, including environmental policy and equalities and diversity, due to a combination of legislation and the previous experience of officers working in these areas. The issue of silo working is not new and is contributed to by the Assembly's limited resources to support a wide range of policy activity that is driven by individual strategies that generally fail to address a European dimension.
- 11.6 We do not recommend further mainstreaming of European working, as it is clear that previous attempts to do this at a regional level contributed to the lack of direction and co-ordination we see today. There will always be a need for European specialists but their role should not be to deal with all things European but to provide intelligence and support to officers working in other specialist fields. We welcome the commitment given by the Assembly's Director of Policy to try to integrate European working into wider policy activities and recognise that this will have resource implications (see Section 14). We remain to be convinced that the same commitment runs throughout the whole organization.

- 11.7 There are a myriad of officer working groups with specific areas of interest, some of which feed into EIAP in an informal way. We would not wish to prevent officers working together to address particular issues or to provide mutual support. However, we are concerned with the number of groups and their apparent lack of connectivity demonstrated by the mapping exercise undertaken to inform this review (see Paragraph 7.2). There is a clear need for a rationalisation of groups to ensure best use is made of resources and of the time of officers working at the regional level.
- 11.8 There are two key European officer groups within the Region; the Regional European and International Officers Group (REIOG) and the Regional European Funding and Policy Group (REFPG). REIOG brings together Local Authority Officers working in the wider European and International field and is chaired by the European Policy Officer, Staffordshire County Council with administrative support is provided by WMLGA. REIOG does not report to EIAP although the Chair is an EIAP Member, but instead reports to the Regional Chief Executives Group (RCEG). REFPG is a wider group chaired by the Lead Officer European Funding, Birmingham City Council, which also provides administrative support. This group reports to EIAP.
- 11.9 RCEG meets quarterly under the aegis of WMLGA and brings together Local Authority Chief Executives. It has identified a Lead Chief Executive for European working, currently from North Warwickshire Borough Council who is also WMiE Secretary and a member of EIAP. The REIOG Chair is not a member of this group and provides written reports that are presented either by the WMiE Director, the Chief Executive, Regional Partnership or by the European Secretary.
- 11.10 Primarily EIAP is informed by the actions of groups that involve EIAP Members. In particular the Lead Officer, European Funding, Birmingham City Council, Chair of REFPG and the Head of European Policy, AWM. We believe that is essential that the role of any officer group structure is defined by and supports the implementation of the new strategy.

## **Recommendations**

- R5 That the Regional European Funding and Policy Group build on the mapping exercise carried out to inform this review, to inform

officers of existing groups and to rationalise numbers and reporting lines where possible. Where appropriate these should be linked and outcomes, including minutes, shared via use of existing websites. Progress should be reported to EIAP or its equivalent on a six monthly basis.

- R6 That WMRA develop a planned approach for closer working between the European and other policy areas supported to include officer and Member structures. This should be agreed by September 2007 and progress reported to EIAP or its equivalent on a six monthly basis.

## 12. **Policy Influence**

12.1 European policy has a significant impact on the Region. Approximately 70% of all legislation impacting on regional partners derives from Europe and funding is driven by policy. The majority of evidence presented supported engagement with the European policy agenda both to influence this and be prepared for it. It is important to engage with the development of policy at an early stage and this especially so in European working. For example the policies and supporting funding that will impact on this Region from 2013 are starting to be developed now. We believe that there is a need to integrate funding, policy development and transnational partnerships and relate these to the Region's priorities reflecting the new strategy.

12.2 There are a number of ways in which European policy can be influenced, including formal and informal lobbying at various stages of the legislative process. In order to lobby successfully it is important that there is a clear understanding of the legislative process and the respective roles of the different institutions. Although this is understood within the WMiE office we do not believe that this knowledge is shared more widely. We recognise that WMiE has recently provided training for senior decision makers in Brussels. We would urge that this is made more accessible by the provision of similar courses held within the Region.

12.3 WMiE has a key role in supporting lobbying activity by developing informal networks and raising the profile of the Region within Brussels, thus providing a platform for specific activities. It appears to have developed good relationships with officers within the Commission Directorates General and with MEPs and CoR Members but these latter have not always been

utilised to their fullest potential.

12.4 We are particularly surprised by the lack of connectivity with the Region's democratic representatives in Europe. Each MEP has specific interests and sits on different committees providing clear opportunities for targeted engagement. MEP's work closely with local and sub regional partners but this is not generally replicated at the regional level although a number occasionally attend EIAP. We have had an opportunity to discuss engagement with the majority of MEP's representing the Region, and as would be expected views are varied although all feel that their role is misunderstood.

12.5 We would have expected there to be better engagement between MEP's and regional bodies. Engagement should work both ways and we would urge Regional partners and MEP's to work more closely for the benefit of the Region's population. There is a clear need to share relevant information that is easily accessible.

12.6 The CoR consists of representatives of regional and local government proposed by Member States and appointed by the European Commission for four years. The European Council and Commission are required to consult CoR on matters of relevance to the regions. CoR Members are selected at a national level from nominations made by regional political groupings. They are supported at a national level, currently by the National Local Government Association's Europe and International Unit (formally the LGIB). This support includes delegation meetings, provision of information and briefings. Individual Members are also supported by officers within their own Local Authority although the extent of this varies. In addition WMiE will provide office space and support for specific issues as appropriate. No formal support mechanism is in place at the regional level. CoR Members are also co-opted members of EIAP but there is no process for providing structured feedback to the WMLGA.

12.7 We believe that officers working at the regional level should provide policy support for CoR Members to enable them to do their job. This should provide a regional dimension building on briefings provided at the national level. We would agree that a significant opportunity to raise the profile of the Region has been missed by the lack of support for CoR Members.

## **Recommendations**

R7 That EIAP or its equivalent leads the development of engagement mechanism between MEPs and Regional partners based on specific policy interests and relevant regional priorities. This should be completed by June 2009 and be disseminated to all officers supporting Regional Policy Partnerships.

R8 That the WMLGA works with CoR Members to develop formal arrangements by January 2008 that provide support for CoR Members that complements that already provided at a national or local level. This should also provide a mechanism for CoR Members to report activity and discuss issues at plenary sessions of the WMLGA.

### **13 Funding Opportunities**

13.1 Evidence suggests that the Region is utilising structural funds in a way that is coherent with aims within the WMRES and WMRSS. Although we have heard concerns regarding the Region's readiness to access non structural funds, we believe that the key issue remains how funds are spent.

13.2 There are still issues to be resolved in the current structural funds programme that will impact on the new Operational Programme including error rates, patchiness of delivery across the Region and the lack of sufficient strategic level projects being submitted. We note that GOWM are taking steps to address these.

13.3 As stated earlier, EIAP is not responsible for the delivery of structural funds although it is leading the development of the new operational programme. There are linkages with the PMC, including shared membership and discussions have taken place in respect of spending issues. We would urge that the mechanism developed for the management of the new Operational Programme includes a more formal link with EIAP.

13.4 We have heard evidence that although structural funds have made a significant contribution to the Region they have also made us lazy and complacent about competing more widely for non-structural funds. The apparent abundance of structural funds for which competition is limited to within Region, and for which every effort is made to help develop projects, has clearly impacted on willingness, or lack of, to apply for non structural

funds in an EU wide competitive process. This view is based on an assumption that we have been unable to confirm as information is not available within the Region in respect of the total of non structural funds received. It is clear, however, these are increasing in importance and that more emphasis should be placed on supporting partners within the Region to develop and submit bids. We do question the value of some of these funds and their appropriateness for the Region. We would urge that a cost benefit approach is used to assist in the targeting of funding programmes.

- 13.5 As this review has progressed we have been able to see the development of a proposal to support project development. EU Connects is a small pilot project funded predominantly by a European Technical Assistance Grant that will be based within the Regional Partnership Centre and managed by the Assembly (see paragraph 10.3). Whilst acknowledging the concerns expressed to us regarding the operation of this we welcome the approach. We would urge the Assembly to retain a flexible approach thus enabling the project to develop in response to Regional needs and experience. It is essential that resources, including staff, allocated to this project are not seen as part of the Region's resources to support the wider area of European working. This is an additional resource to perform an additional but essential role. The EU Connects project is small and therefore it is also important that informal mentoring arrangements are facilitated outside this, building on the relationships developed at officer level by REIOG.
- 13.6 A key element of non structural funds is the need to develop transnational partnerships. We agree with the view that the Region should move away from broad relationships with specific regions based on a civic twinning type model, for example the current relationship with Lower Silesia. These should be replaced by a multiplicity of partnerships between individual partners around specific issues. The importance of networks is that they allow connections and links to be made in an informal way that can be built on to the advantage of all regions involved. One of the most important roles that WMiE is in a position to perform is that of matchmaker. This can only be successful if there is a clear understanding of aims and the lengthy process of developing relationships. We would like to commend AWM for

the introduction of a travel grant scheme<sup>9</sup> to support the development of partnership with organizations in other European regions.

- 13.7 As part of the evidence gathering process we looked at the experiences of Stoke on Trent in accessing and utilising European funding. This case study clearly identified some of the barriers faced more generally by Local Authorities and other partners in the Region. We were very impressed by the work of "The Hothouse"<sup>10</sup> and would urge other Local Authorities to examine how this has approached innovation in a traditional and declining industry.
- 13.8 We believe that four factors are essential to obtain funding be it structural or non structural. There needs to be a commitment within the Executive to resource European working and allow officers with vision and an understanding of local issues and European opportunities to develop relationships and projects. There is also requirement for commitment from the political and strategic leadership of the organization to support both the principle of engagement and specific projects. The last two factors are linked and are perhaps the most important; the willingness to take risks and to learn from experiences, be they good or bad.
- 13.9 This case study also clearly demonstrated the complexities and bureaucracy surrounding European funding and we would hope that the EU Connects project is also able to support officers dealing with these issues.

### **Recommendation**

- R9 That accessing and utilising European funding is seen as an integral part of the Region's new strategy for European working and that the EIAP or its equivalent, receives appropriate monitoring reports on a regular basis.

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<sup>9</sup> Small grants of up to £200 per applicant to cover part of the travel and subsistence expenses when visiting potential European partners to develop FP7 project proposals 2007-13. Total budget allocated is £250,000. For more information see [www.advantagewm.co.uk/links-with-europe.html](http://www.advantagewm.co.uk/links-with-europe.html)

<sup>10</sup> The Hothouse provides services for businesses in Stoke. Further information can be found at [www.the-hothouse.com](http://www.the-hothouse.com)

## 14. Resources

- 14.1 For the purposes of this section the term “resources” refers to staff and revenue funding.
- 14.2 With anticipated restrictions on public sector expenditure expected as a result of CSR 2007<sup>11</sup>, it is inevitable that this will impact upon how regional partners are able to support work on the European agenda.
- 14.3 As a Panel we restate our belief that such engagement is essential to the future development of the Region. This engagement must be undertaken in a planned and systematic manner which utilises the limited resources available, including officer and member time, in an efficient and effective manner. As part of our engagement we consider it is essential that the Region maintains a presence within Brussels and that it should support priorities identified by the Region and act as the Region’s “eyes and ears”, providing timely intelligence on issues of concern for the Region.
- 14.4 As set out in section 11 there is a clear imbalance in the distribution of resources supporting European working between Brussels and at a regional level. As the likelihood of additional or new resources is limited, we believe that the allocation of resources should be considered as a priority.
- 14.5 The Chief Executive, Regional Partnership has suggested that the limited officer resource at the regional level could be addressed by an extension to the devolved model. This is currently used to support the Assembly’s function as the Regional Planning Body. Strategic Local Authorities are paid to provide policy support under Service Level Agreements (partnership agreements). We are concerned that tighter financial constraints facing Local Authorities will result in resources available to support European working being reduced as this is not a statutory function.
- 14.6 The recommendations included in section 9 of the report relating to governance arrangements will have a consequential and beneficial impact on the resources available. We would urge that

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<sup>11</sup>The Comprehensive Spending Review 2007 is a long term and fundamental review of Government expenditure covering departmental allocations and priorities for 2008-11. It is expected to be published in autumn 2007.

these are utilised in the most effective manner.

### **Recommendation**

R10 That Regional Partners led by WMRA, WMLGA and AWM, identify appropriate funding and staffing arrangements in the light of the new strategy to ensure delivery of its objectives. This should take account of the need for an equitable and effective balance of staff and resources between the office in Brussels and within the Region.

### **15. Information or Intelligence?**

- 15.1 The complexity of working at the European level is reflected in the significant amount of often highly technical and detailed information which underpins it. Perhaps inevitably, the lack of clear direction and confused governance arrangements have resulted in less than effective use of this information.
- 15.2 In order to avoid “activity by accident” regional partners require ‘intelligence’ or, as we later defined it ‘informed knowledge’. We consider that ‘intelligence’ is of paramount importance in securing the potential benefits of European engagement. The communication of information on its own is not nearly enough. We believe that the Assembly and WMiE have a key role individually and jointly in this area.
- 15.3 WMiE in undertaking its role as “the eyes and ears” of and for the Region is ideally positioned to provide advance information in respect of the broad direction of and thinking behind European policies, obtained through informal networking arrangements. We would encourage the development of a ‘silver thread’ approach – for Brussels generated intelligence to Regional Partners which would then inform activity at a sub-regional and local level.
- 15.4 WMiE currently provides information already accessible to the Region and we would question whether this demonstrates an appropriate use of resources. We recognise that there are existing channels of communication and would not encourage simply replicating that information. It would conceivably be possible to influence the form and content through the provision of feedback.
- 15.5 We would support the approach followed by the South West Brussels Office. This advocates targeted, short, focussed and

timely briefing papers of no more than 2 sides of A4 distributed using specialist mailing lists.

- 15.6 We acknowledge that it is difficult for a facilitating organization to demonstrate effectiveness when success is dependant upon Regional partners reacting to information provided. We would question whether this reflects an issue of capacity within the Region or a lack of focus due to a failure to address the needs of the intended audience. In short - 'one size doesn't fit all'.
- 15.7 There exists a need for European practitioners to increase understanding and demystify the complexity of working at the European level. This can be achieved through the provision of intelligence to officers working in other policy areas. In order to achieve this, those practitioners must develop a broad understanding of wider Regional priorities.

### **Recommendation**

- R11 That the WMiE Director and the Assembly Director of Policy ensure that links are developed between WMiE staff and non European specialists working at the Regional level. This will enable the development of a clear understanding of Regional priorities and the European dimension that impacts upon them. A methodology to achieve this should be submitted to the Regional Partnership Senior Management Team in June 2007.

### **16. Conclusion**

- 16.1 Whilst this report paints a bleak picture of how the Region engages with Europe, we believe that the Region can rise to the challenge. We recognise and applaud the commitment of individuals working in this field but they are hampered by the lack of overall direction, resulting in little co-ordination of activity at a Regional level. Governance arrangements and lines of responsibility are blurred and appear to have been fudged to avoid difficult debates that could well have had an adverse effect on wider partnership working in the Region. The majority of direct funding is used to support a high profile, expensive, albeit highly regarded, office in Brussels. It may be that overall resources to support this activity regionally and sub-regionally decreases in the future. We have singularly failed to take the European agenda out of its silo and to influence other policy areas to a significant degree – compounded by the lack of targeted accessible communication. We have also missed

opportunities to engage with and effectively utilise MEPs and CoR Members.

- 16.2 There is no doubt that the Region has moved forward in how it engages with Europe but we ought to do this much better. The aim of this report is to assist such an improvement and therefore this should be viewed as the start of a process.
- 16.3 As a Panel we believe that the Region needs to engage with the European agenda in a planned and systematic way that makes best use of the limited resources available to support this area of working. As part of this it is essential that the Region maintains a presence within Brussels and that this office should support identified regional priorities and act as the Regions "eyes and ears" providing early identification of issues that should concern us.
- 16.4 To conclude, we were concerned with the wish expressed to us that this review would provide strategic direction. This should come from partners themselves but we are happy to act as a catalyst. If we had to provide such a direction we would say that European engagement is not and should never be an end in itself. Europe provides a context in which the Region works and its influence and the opportunities it offers should be considered as routinely as national government. After all it is only Brussels – isn't it?

## **References**

Scrutiny and Strategic Review Protocol – approved by West Midlands Regional Assembly 15 July 2005

West Midlands Regional Concordat – revised July 2005

Delivering Advantage – The West Midlands Economic Strategy and Action Plan 2004 -2010 – published January 2004

Mapping of West Midlands European Officer Groups – Emma Szlapak March 2007

Summary of Local Authority Engagement in European Working - West Midlands Regional Assembly April 2007

Summary of Approaches to European and International Working in the English Regions and Devolved Administrations – West Midlands Regional Assembly April 2007

West Midlands Regional Spatial Strategy published as Regional Planning Guidance for the West Midlands June 2004

A Sustainable Future for the West Midlands – The Regional Sustainable Development Framework – January 2005

LGIB Quinquennial Review – Jonathon Tross August 2006

**West Midlands Regional Assembly Strategic Review  
The Region's Relationship with Europe  
Terms of Reference**

**Aim**

The aim of this review is to assess the effectiveness of regional activity in securing and utilising European funding for the West Midlands Region

**Method**

The review will be carried out by a Review Panel made up of Assembly Members with additional co-opted members bringing expertise and experience in this area. The process will be supported by the Assembly Scrutiny Team and policy support will be provided by Esther Knight, the Assembly's Strategic Advisor – Europe and International Affairs.

Evidence will be submitted to the review either in writing or by the review activities. These will include a briefing session, discussion events and hearings.

**Objectives**

The objectives of the review are to identify:

- (i) The ability of the Region to respond to changes in the 2007-13 funding programme in order to secure future funding including
  - Learning from previous experiences and best practice in other regions
  - Capacity within the region to develop and effectively utilise European funding projects
  - Impact of regional priorities
- (ii) The approach to collective working at the regional level including
  - Clarity of roles and relationships between structures/organizations within the West Midlands
  - Effective engagement with European representatives (MEPs and Committee of the Regions' Members)
  - Resources available to support regional European working
- (iii) The effectiveness of regional working in respect of
  - Communicating and promoting understanding of European

- aims, priorities and funding opportunities
- How different sectors are engaged in European working including funding
- Developing productive trans-national partnerships/projects

Panel Members will develop issues to be considered during the review process. Additional areas may be identified as a result of preparatory work and input from partners and stakeholders.

### **Cross Cutting Themes**

All reviews are required to consider how the cross cutting themes of Sustainable Development and Equalities and Diversity will be addressed within the review process.

### **Outputs**

A final report will be produced by the Panel and circulated widely.

### **Review Panel**

The Strategic Review Group, the Assembly's scrutiny co-ordinating body, has delegated responsibility for this review to the Review Panel. The Panel are required to report progress to the Strategic Review Group through officers and via the Strategic Review Group Member on the Review Panel. The final report is made on behalf of the Assembly and will not require further approval but will be reported to the full Assembly. In addition any recommendations made for the Assembly itself will need to be accepted by the full Assembly.

The Panel Chair will be selected by Panel Members and will be required to act as spokesperson for the Panel, with Assembly support, as required.

Panel meetings will be considered quorate if three Assembly Panel Members are present. All Panel Members should abide by the Assembly Code of Conduct and are required to declare any possible conflict of interests.

### **Timescales**

The review will commence on 14 September 2006. It is expected that the final report will be completed by 31 March 2007.

Agreed by Panel 3 October 2006

### Panel Members Profiles

**Roger McKenzie** (Panel Chair) took up the post of Regional Secretary, Midlands Trades Union Congress (TUC) at the beginning of October 2004. He serves as a Regional Assembly member from the Other Stakeholders Group. He previously served as Vice-Chair of the Equalities and Diversity Strategic Review.

**Cllr Mrs Veronica Fletcher** (Panel Vice-Chair) (co-opted) serves on Telford and Wrekin Council. Among her Council commitments she serves on Scrutiny Commission 3 - Health & Care. She is also a member of the Regional Planning Partnership.

**Cllr Paul Middlebrough** is a member of Wychavon District Council and is the Executive Board Member responsible for economic development. In addition, he is a member of the Regional Assembly and sits on the Regional Planning Partnership.

**Cllr Mick Jones** is a member of Warwickshire County Council and is the Chair of the Economic Development Overview and Scrutiny Committee. He is a member of the West Midlands Regional Assembly and serves on the Regional Planning and Housing Partnerships.

**Cllr Milner Whiteman** (co-opted) is a member of Bridgnorth District Council and is a member of the Committee of the Regions (CoR) and sits on the Regional European and International Affairs Partnership in that capacity.

**Cllr Mrs Pauline Dee** (co-opted) has been a member of North Shropshire District Council since May 1983. She is a substitute member of the Congress of Local and Regional Authorities in Europe (CLRAE) on behalf of the National LGA Independent Group and sits on the Regional European and International Affairs Partnership in that capacity. Subsequently she was asked to serve as a Director of LGIB and as a member of the LGA's European and International Affairs Panel.

**Cllr Philip Atkins** is Leader of the Opposition at Staffordshire County Council and also a Deputy Leader – Health and Leisure at East Staffordshire Borough Council. He is a member of the Programme Monitoring Committee and the Regional European and International

Affairs Partnership on behalf of the West Midlands Local Government Association. He also is Vice Chair of the Assembly's Strategic Review Group.

**Professor Michael Clarke CBE DL** has been Vice-Principal of the University of Birmingham since January 2003, having served previously as Pro-Vice-Chancellor from 1998. He joined the University in 1993 as Professor of Public Policy and Head of the School of Public Policy.

Since 1998, he has had responsibility for the University's external relationships, including those with business. He is a member of the Regional Assembly representing the business sector and sits on the Regional European and International Affairs Partnership. He is also involved with a number of voluntary organizations in Birmingham and Worcestershire.

**Dr Chris Newis** has worked in the not for profit sector for twenty-five years, including nine years with the co-operative movement.

He is Chief Executive Officer of CBC Ltd, the regional Centre of Excellence for Social Enterprise Development. His experience in social enterprise includes being a member of the Government Taskforce which in 2001, set up the Social Enterprise Unit in the Department for Trade and Industry. He is now a founder board member of West Midlands Business Council. He is a member of the Regional Assembly and sits on the Strategic Review Group.

**Cllr Tony Ward** is a member of Sandwell Metropolitan Borough Council. He serves on the Regional Assembly and serves as an alternate member of the Regional Planning Partnership.

**Supporting Evidence**

The list below details supporting evidence that was considered by the Panel. These were either background papers or documents were submitted to the panel by partners as supporting evidence.

**Written Evidence Submitted**

Advantage West Midlands  
Sir Albert Bore, Chair EIAP  
Government Office for the West Midlands  
Jill Robinson, Acting Head of the Regional, European and International Division, Birmingham City Council  
Melissa Newman, European Liaison Officer, Stoke on Trent City Council  
West Midlands in Europe  
West Midlands Higher Education Association  
Summary of previous attempt to rationalise governance structures prepared by WMRA Officers

**Background Papers/Supporting Evidence**

The EU Budget Explained  
List of West Midlands Working Groups on European Funding and Policy  
European Policy Framework for Staffordshire  
West Midlands European Strategy and Action Plan  
West Midlands Business Council

- Report to Regional International Trade Strategy Group
- Research and Development – The needs of west Midlands Business

European & International Affairs Partnership

- Terms of Reference
- Review of Membership (16 June 2006)
- A Strategic Approach to Region to Region Links (16 June 2006)
- Regional Funding Activity – Beyond the Structural Funds (29 Sept 2006)
- Regional Funding – Beyond the Structural Funds : West Midlands – EU Connects (24 November 2006)

Regional European and International Officers Group

- Response to the ESF Operational Programme 2007-13 (26 Sept 2006)
- Regional Competitiveness and Employment Programme 2007-13 (26 Sept 2006)

- Draft priorities New Objective 3 Programme 2007-13 (26 Sept 2007)

Report of the Regional Criteria Working Group

Draft - Review of the Effectiveness of Regional Mechanisms In

- a) Influencing Policy Development in Europe
- b) Increasing Trade Between WM and Other EU Regions

Regional Competitiveness and Employment: European Union Operational Programme for the West Midlands – Aston University Conference

West Midlands Region draft response to ESF England Operational Programme 2007-13

WMIe Background Papers

- List of WMIe Members
- Brussels staffing information
- 2006 Progress Report
- WMIe Newsletters
- European Union Funding
- West Midlands EU Connects diagram
- European Voice Valencia Article
- Budgetary Information
- Briefing – WMIe
- West Midlands – EU Connects - Summary

Supporting Papers for EU Level Think tank on the Review of the Regional Economic Strategy

Various WMLGA/WMRA reports 2004/5 relating to proposed changes in governance arrangements for Regional European structures

Stoke on Trent

- Presentation – Overview of EU Funding and Policies in Stoke on Trent
- The Hothouse
- Examples of European Funding projects in North Staffordshire
- Regional and European Bulletin

Wolverhampton City Council

- EuroNews August 2006
- Leonardo Project

Supporting the Delivery of the Lisbon Strategy at Regional and Local Level - Lisbon Regions Network

Examples of European Projects (inter regional)

- Intelligent Energy News
- PURPLE – Peri Urban Regions Platform Europe
- ERIH – European Route of Industrial Heritage
- ICH Project Achievements June 2003 to May 2006

Examples of European Funded Projects (within Region)

- Hothouse principle
- Single sided info sheets on a number of projects

ERRIN – Prospectus October 2006

Activity Report – Association of the Local Democracy Agencies

North East England in Europe – A framework for action

Inforegio factsheets and newsletter

Parliament Magazine – European Politics and Policy - 17 April 2006

What can small businesses do for Europe – Federation of Small  
Businesses

**Review Participants**

	Arthur	Allen	Dudley MBC
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	Charlotte	Andersdotter	Director, European Regions Research and Innovation Network
Cllr	Michael	Angell	European and International Affairs Partnership member
	Paul	Bayliss	Senior Regional Advisor – Monitoring and Review
	Samy	Bettiche	Ile de France Chamber of Commerce
	Chris	Blakeley	Strategic Advisor – Regional Planning/Environment
	Jon	Bloomfield	Head of European Policy, Advantage West Midlands
Cllr	Eddie	Boden	European and International Affairs Partnership member
	Bob	Boden	Borough of Telford and Wrekin
Cllr Sir	Albert	Bore	Chair of European and International Affairs Partnership
	Andrew	Briggs	Hothouse Group Manager
	David	Brown	West Midlands in Europe Board member
Dr	Helen	Brown	West Midlands Higher Education Association
	Tim	Bryan	Executive Director, Culture West Midlands
	David	Burton	West Midlands in Europe Board member
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	Denise	Craig	West Midlands Policy Development Officer, Federation of Small Businesses
	Chris	Crean	European and International Affairs Partnership member
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	Tim	Hemmings	1st Secretary Regional Policy, UK Permanent Representation
	Steve	Hind	Senior Director , West Midlands Local Government Association
	Jerry	Hutchinson	WMIe Secretary
	Helen	Jackson	Local Government International Bureau
	Jane	Kaur-Gill	Walsall MBC
	Carmel	Kerr	Equalities and Diversity Director, West Midlands Regional Assembly

	Emma	Kiteley	Senior Regional Advisor - Housing
	Danny	Lamb	Strategic Advisor - Transport
	Carole	Lee	Rapra Technology
	Peter	Löffler	Communication Officer, Intelligent Energy Executive Agency
	Zena	Lynch	Health Policy Advisor, West Midlands Regional Assembly
	Liz	Lynne	MEP
	Doug	Mahoney	UKTI and European and International Affairs Partnership member
	Eleni	Marianou	Director, South West UK Brussels Office
	Chris	Marsh	Director Corporate Strategy Government Office for the West Midlands
Dr	Isabella	Moore CBE,	Chair of the West Midlands in Europe Board
	Simon	Murphy	Former Member of the European Parliament
	Helena	Muskett	Staffordshire CC (Chair of Regional European and International Officers Group)
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	Nicolás	Ojeda	European Projects Officer, Fundación Comunidad Valenciana-Región Europea
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	Rose	Poulter	Director of Policy, West Midlands Regional Assembly
	Paul	Rushton	Learning and Skills Council

	Peter Andy	Shearer Smith	Aston University (Virtual) European Secretariat/Warwickshire County Council
Cllr	David S	Smith	West Midlands in Europe Board member
	Lucy Andy	Sobrero Stowe	Newman College of Higher Education West Midlands European Network
	Roger	Sumpton	West Midlands in Europe Board member
Cllr	Paul	Tilsley	West Midlands in Europe Board member
	Graham Anna	Vickery Vinsen	Bournville College (Birmingham) Advantage West Midlands
	Rachel	Watts	Senior European and Regional Officer, Stoke on Trent City Council
	Glynis	Whiting	Director, West Midlands in Europe
	Patrick	Wilcocks	Chair of Regional European Funding and Policy Group (Birmingham City Council)
	Clive	Winters	Coventry University

**Please note that many of the participants in this process represent a number of organisations and interests**

### **Introduction to the European Union (EU)**

The impetus for European co-operation followed the end of the Second World War and was intended to build a lasting peace between Germany and France.

As the six signatories of the Treaty of Rome in 1957 Belgium, the Federal Republic of Germany, France, Italy, Luxembourg and the Netherlands, agreed to establish the European Economic Community (EEC). The United Kingdom joined in 1973 and the EU now has 27 Member States and influences national policy development in a wide area of activities. It is funded through contributions made by individual Member States based on their Gross National Product (GNP) and by monies raised from VAT.

### **EU Institutions**

There are three institutions responsible for decision-making in the EU:

#### The Council of the European Union (the Council)

This body represents the EU Member States. It is the main decision making institution and is presided over by each EU State for a six month period. Every meeting is attended by one Minister from each Member State dependant upon the topic under discussion, for example if agriculture is being discussed it is attended by Agriculture Ministers. There are nine different groupings covering different policy areas and in addition Presidents and Prime Ministers of all EU States meet four times a year.

The Council shares legislative power and responsibility for the budget with the European Parliament and also concludes national agreements negotiated by the Commission.

#### The European Parliament

This is the directly elected body that represents the EU's citizens. It shares legislative powers with the Council by giving its opinion on draft directives and regulations prepared by the Commission and assent to international agreements negotiated by the Commission. One of its most important roles is within the process of co-decision, whereby all legislation, and the proposed budget, has to be agreed by both the Council and the Parliament. It also has the power to dismiss the Commission as a whole and to ensure that EU policies are being properly managed and implemented.

## The European Commission

The Commission is the executive arm of the EU and carries out the decisions taken by the Council. The role of the Commission is to uphold the interests of the EU as a whole and ensure that regulations and directives are being put into effect. It is also the only EU institution that has the right to propose new legislation.

Each EU State appoints one Commission member for a five year period who then operates as a member of an independent body. The Commission is supported by a "civil service" of 36 Directorates General (DG) based mainly in Brussels.

The other European body referred to in this report is the Committee of Regions (CoR). Although this does not have formal decision making powers does have the right to be consulted on any proposed piece of legislation that would impact on local and regional government. It consists of local government representatives from across the EU. CoR Members from the West Midlands are:

Cllr Michael Angell	Malvern Hills District Council
Cllr Sir Albert Bore	Birmingham City Council
Cllr Martin Heatley	Warwickshire County Council
Cllr Syeda Khatun	Sandwell Metropolitan Borough Council
Cllr Milner Whiteman	Bridgnorth District Council

One of the co-opted Panel Members is also a member of the Congress of Local and Regional Authorities of the Council of Europe (CLRAE). This is the local and regional arm of the Council of Europe and was not examined as part of the review. Further information can be obtained from

[http://international.lga.gov.uk/representation/local\\_and\\_regional/index.html](http://international.lga.gov.uk/representation/local_and_regional/index.html)

## **EU Priorities**

European priorities lead the development of legislation and funding programmes. The focus for the EU as a whole is the economy – free movement of goods/people, single currency, one big trading block. With this it is recognised that different areas develop economically at different rates and there is therefore on occasion the need to intervene to address 'structural economic weaknesses' hence the 'structural funds.'

Other policy priorities include research and development in order to make Europe more competitive and life long learning which recognises

the importance of human capital. Again this is linked to the development of a strong European economy.

It became clear early in the life of the EEC that action was required to strengthen "economic and social cohesion" i.e. to narrow the gap between the richer and poorer regions. This led to the introduction of regional and social policies and funding streams to support them. These funds are intended to 'top up' or stimulate investment by the private sector and by appropriate national and regional government. The aim of European regional policy is to correct the most glaring inequalities in European society.

At a meeting in held in Lisbon in March 2000, the European Council set the EU a new and very ambitious goal; to become "*the most competitive and dynamic knowledge-based economy in the world, capable of sustainable growth with more and better jobs and greater social cohesion.*" by 2010. This was as a direct response to concerns about the place of Europe's economy amidst growing globalisation and the developing economies including India and China.

The detailed strategy to implement what has become known as the Lisbon Agenda includes actions to support research, education, training, internet access, on-line business, e-government, small and medium enterprises (SME's), and to address the implications of an ageing population.

### **National and Regional Dimension**

The UK National Government has a significant role in influencing the direction of European policy through its membership of the European Council and the influence of the UK Permanent Representative (UK PermRep). Permanent Representatives from Member States act as Ambassadors to the EU and also carry out preparatory work for the Council meetings.

English regions have significantly weaker regional structures than most other Member States. The largest EU funds that the Region has had access to have been geographically targeted and these have often been designed to be delivered at a regional level with funds allocated to the appropriate regional government. The lack of this in England<sup>12</sup> has led to the development of delivery structures that meet the needs of the Region but are accountable to National Government structures

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<sup>12</sup> The devolved government arrangements within Scotland, Wales and Northern Ireland have resulted in different arrangements.

in addition to the EU.

### **European Funding**

European funding is allocated for a seven year funding period with current programmes running from 2000 to 2007 (calendar years). These funds can be broadly divided into three categories, structural funds, non-structural funds and the Common Agricultural Policy (CAP). Appendix 6 provides a summary of funding streams utilised within the West Midlands and funding levels in the new period 2007-13.

The extent to which the Region has benefited from the structural funds does seem to vary dependant upon exchange rates and the possibility of claw back (the requirement to return any unspent money already drawn down from Europe). Figures quoted are those provided by GOWM in evidence to this review.

During the 2000-2006 programming period these were called Objective 2 and Objective 3, and under the 2007-2013 programming period they are called Regional Competitiveness and Employment – (RCE). This new programme was due to start in January 2007 but in reality is expected to come into effect in October 2007. This delay is due to the need to gain European Commission approval for national frameworks and regional delivery programmes.

There will be two types of structural funds

- (I) ESF European Social Fund – aimed at the skills agenda and employability – assistance to individual beneficiaries
- (II) ERDF European Regional Development Fund – aimed at competitiveness- assistance to companies/ research institutes/ community economic development

The administrative arrangements for structural funds will also change in the new period. ESF will be a national programme administered by the Department of Work and Pensions and is expected to be largely delivered within the Region by the Learning and Skills Council within the framework of a strategy produced by the Regional Skills Partnership. It is envisaged that there will be a degree of co-ordination at the regional level between the ESF and the regional ERDF programme via a joint Programming Monitoring Committee. Regional Development Agencies will have responsibility for management and administration of ERDF. Advantage West Midlands has recognised concerns regarding a possible conflict of interest as it is a major beneficiary of ERDF funds and is currently consulting on proposed

management arrangements that closely reflect those of the current programme. GOWM will retain responsibility for any remaining funds from the 2000 to 2006 period.

Non-structural Funds are intended to fund projects to support European policy aims and cover a wide range of areas for example, transnational conferences or seminars, exchanges of experience, awareness-raising activities as well as funding for pilot actions, feasibility studies and demonstration projects. Important features of non structural funds are their competitive nature and the requirement to develop trans national partnerships often involving three or more European regions.

There is no regional or national intermediary involved in the management of non-structural funds and therefore it is very difficult to assess the extent to which the Region has benefited in the past. However it does appear that Regional partners have concentrated primarily on structural funds partly as competition was limited to within the Region.

One of the key challenges facing Regional partners involved in European funding projects under the new operational programme is to link the priorities of structural and non structural funds in order to take the fullest advantage of both.

**Summary of European Funding Streams utilised within the West Midlands**

**Structural Funds**

These were set up to help reduce differences in living standards between the regions of the European Union and, as such, have been targeted to specific geographical areas. The West Midlands has benefited from Objective 2 and Objective 3 programmes. European Structural Funds are currently administered by the Government Office for the West Midlands (GOWM). There is a statutory requirement for each region to establish a Programme Monitoring Committee (PMC) to provide direction and overview.

**Objective 2 Programme**

This aims to support the economic and social conversion of areas facing structural economic difficulties and is available for nearly half of the West Midlands population including industrial, urban and rural areas. This is delivered through two main programmes, the European Regional Development Fund (ERDF) and the European Social Fund (ESF).

The ERDF aims to improve economic prosperity and social inclusion by investing in projects to promote development and encourages the diversification of industry in areas lagging behind. It provides largely capital funding.

In the current Objective 2 programme the West Midlands has been awarded £507 million from ERDF and £100 million from ESF. Currently £382 million of the ERDF funding has been spent and £66 million of ESF.

**Objective 3 Programme**

This is delivered through the European Social Fund (ESF) and tackles long-term unemployment, helping young people and those at risk from not being able to find work, improving training, education and counselling for lifelong learning, encouraging entrepreneurship and adaptability in the workplace and promoting equal opportunities. The entire region is eligible and funding provided is purely revenue. The current West Midlands Objective 3 Programme has been awarded £359 million and has spent £230 million

New Operational Programme (2007- 2014)

The Regional Competitiveness and Employment Objective (RCE) will be made up of two complementary programmes - ERDF and ESF.

Approximately 18 months ago the Region did not expect to receive any structural funds in the new programme due to the needs of accession countries joining the EU. However following significant lobbying at a number of levels by countries across Europe, structural funds have been made available although with significantly reduced allocations. The allocation to the Region is £268 million ERDF and £249 million ESF, a cut of approximately 55% of funding allocated in the preceding period.

### **Non-structural Funds**

Non-structural funds are not allocated to regions or areas and are awarded on a competitive basis across all Member States. The majority of non-structural fund programmes require projects to involve transnational activity to occur between partners located in other EU countries. Usually at least three Member States need to be involved in activities.

The total budget available for non-structural funds in the new programming period 2007-13 is €166.984bn or £110.19bn, approximately three times the total available under the structural funds programme.

When it was felt that the West Midlands would not benefit from structural funds, partners recognised the need to make more of the opportunities provided by non-structural funds. Accordingly a joint WMRA/ WMiE event was held in November 2005 to highlight the EU funding opportunities for the Region in addition to the Structural Funds. This meeting agreed that the Region focus on three programmes; 7th Framework Programme for Research, Technological Development and Demonstration (FP7), Lifelong Learning (LLL) and Competitiveness and Innovation (CIP). The key to these programmes is the Lisbon policy agenda, which seeks to improve the European Union's competitiveness globally; by improving its capability in research and technology and by creating a workforce able to access 'more and better' i.e. higher level jobs.

### **7th Framework Programme for Research, Technological Development and Demonstration (FP7)**

This is the main financial tool through which the European Union supports research and development activities covering almost all

scientific disciplines. The programme aims to create a common European research area and carry it further towards the development of the knowledge economy and society in Europe, and to increase Research & Development investment expenditure to approach 3% of GDP.

The West Midlands has a European Research and Technological Development Group led by Advantage West Midlands (AWM) that brings together relevant agencies and key players from higher education institutions, businesses, and local authorities. The Group meets monthly to discuss a strategic approach to the region's engagement with the Framework Programme.

There are a number of ways in which the Region is planning to support organizations to bid for FP7 funds. These include a small grant scheme for travel and subsistence provided by Advantage West Midlands. This will run from October 2006 to September 2007 and provide grants of up to £200 to be paid to individuals within organizations involved in preparation of FP7 proposals in order to travel to Europe for partnerships building. Advantage West Midlands has allocated a total of £75,000 over the life of the scheme. In addition Advantage West Midlands is finalising arrangements for a scheme to provide preparatory awards of up to £20,000 to support up to ten large integrated projects in each of the five ITC priority areas. Plans to develop Sector Champions in each of these five priority areas are also being considered.

### **Lifelong Learning**

The aim of this programme is for the European Union to become an advanced knowledge society, with sustainable economic development, more and better jobs and greater social cohesion.

The Region has recently established a Lifelong Learning Group, chaired by Professor Geoff Elliott of Worcester University College, to draw together a database of current players and activities. The group will work with four newly established geographical Lifelong Learning Networks within the Region to draw on different funding sources to meet the regional skills agenda.

### **Competitiveness and Innovation**

The aim of the programme is to boost European productivity, innovation capacity and sustainable growth. This covers such diverse actions as Enterprise and Innovation, including Access to Finance; ICT Policy Support and Intelligent Energy. Given the range of this

programme, the regional response is still under development.

**Common Agricultural Policy (CAP)**

Although CAP clearly plays an important role in the Region's rural economy, itself a critical element of the wider economy, this aspect of European funding is outside the remit of this review. It is administered at a national level within a clear framework that provides direct income payments to individual farmers. It cannot therefore be influenced by regional economic priorities.

### European Funding Streams – 2007 to 2013

Programme	Aims	Actions	Total Budget
<b>Structural Funds</b>			
Regional Competitiveness and Employment objective (former Objectives 2 & 3)	To meet the Lisbon jobs and growth priorities	European Regional Development Fund (ERDF) European Social Fund (ESF)	€49.005 bn €6.216 bn for UK
European Territorial Cooperation objective (former Interreg)	Focusing on Lisbon (growth and jobs) and Gothenburg (sustainable development) priorities, but also covering urban renewal, and data collection	Three types of cooperation: 1. cross-border – 74% 2. transnational - regions grouped together in 'zones' – 21% 3. interregional - all regions eligible – 2.6%	€6.778 bn
<b>Non Structural Funds</b>			
7th Framework Programme for Research, Technological Development and Demonstration	To increase research to 3% of EU GDP	Cooperation; Ideas; People; Capacities; Joint Research Centre; Euratom nuclear research and training	€48.081 bn
Lifelong Learning	For the EU to become an advanced knowledge society, with sustainable economic development, more and better jobs and greater social cohesion	Comenius (school education); Erasmus (higher education), Leonardo da Vinci (vocational education), Grundtvig (adult education), Transversal programme, Jean Monnet programme	€6.752 bn
Competitiveness and Innovation	To boost European	Enterprise and Innovation; ICT	€3.284 bn

	productivity, innovation capacity and sustainable growth	Policy Support; Intelligent Energy-Europe	
Progress (social policy agenda)	To complement action under the European Social Fund and support social dialogue, free movement of workers and social studies	Studies, awareness-raising, exchange of information and good practice; monitoring and evaluation and networking:	€658 m
Marco Polo II	To improve the environmental performance of freight transport; to reduce congestion; to enhance intermodal transport	Motorways of the Sea; Traffic Avoidance; Catalyst action; Modal shift; Common learning	€400 m
Trans European Networks (transport and energy)	To contribute to the implementation and development of the Internal Market through projects of common interest	Transport, Energy	€7.203 bn
Rural Development	To promote sustainable rural development	Improving competitiveness of farming, forestry, environment and countryside; Improving quality of life and diversification of the rural economy	€69.750 bn UK allocation: €1.9096 bn
Life+	To provide grants and public procurement	Nature and Biodiversity; Environment Policy and	€1.861 bn

	contracts to support EU environment policy and legislation	Governance; Information and Communication	
Citizenship	Health and Consumer Protection	To protect citizens from risks and threats; to increase the ability of citizens to take better decisions about their health and consumer interests; putting health and consumer issues at the centre of policy making	€1.214 bn
	European Culture and Citizenship	Transnational mobility of people working in art & cultural products, prompt intercultural dialogue; Promoting young people's active citizenship; Town twinning, civil society, events and studies	€1.33 bn
	Media	Grants for fiction, production of documentaries, animation and multi-media; Commercial and legal training, technology training and training in scriptwriting for productions targeted at foreign audiences	€671 m
The EU as a Global Partner	Neighbourhood & Partnership	Funds to stabilise neighbouring countries	€10.587 bn
	Cooperation & Economic	Relates to all countries,	€15.103 bn

	Cooperation	territories and regions that are not eligible for assistance under either the Pre-Accession Instrument or the European Neighbourhood and Partnership Instrument.	
<b>Common Agricultural Policy</b>			
Preservation and Management of Natural Resources	Agriculture: direct aids & market support	Farmers to receive direct income payments to maintain income stability, but the link to production is decoupled. Farmers will also have to respect environmental, food safety and animal welfare standards.	€293.105 bn

The monetary figures contained in this funding document are quoted at 2004 prices. These are the official figures as recognised by the European Commission as at 22 September 2006.

**Members of West Midlands in Europe**

**Principal Management Members**

Advantage West Midlands  
West Midlands Local Government Association (including all 38 local authorities)

**Senior Members**

Confederation of West Midlands Chambers of Commerce  
West Midlands Higher Education Association

**Regional Members**

West Midlands Regional Assembly    Environment Agency (Midlands)  
NEC Group    West Midlands Business Council  
West Midlands European Network    Culture West Midlands  
UK Trade and Investment (West Midlands)  
University Hospitals Coventry and Warwickshire NHS Trust

**Individual Members**

Birmingham Airport    Birmingham Forward  
CAP Research & Consulting Ltd    Coventry University Enterprise Ltd  
Heart of England Fine Foods    Leslie Huckfield Research  
Mercia Institute of Enterprise    RAPRA  
International Agriculture and Technology Centre  
Engineering Employers' Federation (West Midlands) Research  
Richard Bindless Associates  
Transport and General Workers Union (Midlands)  
Association of Colleges (West Midlands)  
Bournville College  
City College Birmingham  
Dudley College  
Mathew Boulton College  
North Warwickshire and Hinckley College  
Shrewsbury College of Art and Technology  
Stratford-upon-Avon College  
South Birmingham College  
City of Wolverhampton College  
University Hospital Birmingham NHS Trust

**Regional Associate Member**

Government Office for the West Midlands

**Membership of EIAP and WMiE Board**

**EIAP**

Chair – Cllr Sir Albert Bore	WMLGA
Cllr Michael Angell	Committee of the Regions
Cllr Philip Atkins	WMLGA
Cllr Eddie Boden	WMLGA
Philip Bradbourne MEP	
David Burton	Confederation of West Midlands Chambers of Commerce
Philip Bushill-Mathews MEP	
Michael Cashman MEP	
Mike Cherry	Federation of Small Businesses
Professor Michael Clarke	University of Birmingham
Denise Craig (alternative)	Federation of Small Businesses
Chris Crean	Friends of the Earth
Cllr Sue Davis	CLRAE
Phil Davis	RAWM
Cllr Pauline Dee	CLRAE
John Edwards	Advantage West Midlands
Trudi Elliott	Government Office for the West Midlands
Tim Gebbels	Advantage West Midlands
Neena Gill MEP	
Malcolm Harbour MEP	
Cllr Martin Heatley	WMLGA
Arthur Hill	NFU West Midlands
Cllr Syeda Khatun	Committee of the Regions
Cllr Roger Lawrence	WMLGA
Liz Lynne MEP	
Dr Isabella Moore	Advantage West Midlands
Doug Mahoney	Trade and Investment UK
Mike Natrass MEP	
Julie Robson	Learning and Skills Council
Cllr David S Smith	WMLGA
Cllr Ken Taylor	WMLGA
Cllr Paul Tilsley	WMLGA
Cllr Milner Whiteman	Committee of the Regions

There are currently two vacant positions for representatives of the community sector

## **WMiE Board**

Chair – Dr Isabella Moore      Advantage West Midlands  
Secretary - Jerry Hutchinson      North Warwickshire Borough Council

Cllr Sir Albert Bore	WMLGA
David Brown	Advantage West Midlands
David Burton	Confederation of West Midlands Chambers of Commerce
John Cole	National Exhibition Centre
John Edwards	Advantage West Midlands
Tim Gebbels	Advantage West Midlands
Cllr Martin Heatley	WMLGA
Paul Richards	Staffordshire University
Cllr David S Smith	WMLGA
Cllr Paul Tilsley	WMLGA
Dorothy Wilson	Midlands Art Centre

Ex-Officio and non voting member  
Olwen Dutton      Chief Executive, Regional Partnership

**Glossary of Terms**

AWM	Advantage West Midlands
CoR	Committee of the Regions
EIAP	European and International Partnership
ERDF	European Regional Development Fund
ERRIN	European Regions Research and Innovation Network
ESF	European Social Fund
EU-Connects	West Midland's project to support development of bids for European Funding
GOWM	Government Office West Midlands
LGIB	Local Government International Bureau
RCEG	Regional Chief Executives Group
REIOG	Regional European and International Officers Group
REFPG	Regional European Funding and Policy Group
PMC	Programme Monitoring Committee
SRG	Assembly's Strategic Review Group
WMiE	West Midlands in Europe
WMLGA	West Midlands Local Government Association
WMRA	West Midlands Regional Assembly