



Belfast City Council

Report to:	Development Committee
Subject:	European Funding for Economic Development Work
Date:	16 January 2008
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Relevant Background Information

Members will be aware that the Council's Economic Development work has, to date, been co-funded by the European Union through Structural Funds programmes. Given changes within these programmes, the application processes, funding priorities and financial allocations will be different for the new programmes. These run from 2007-2013 but will be implemented from 2008. Activities undertaken will support the implementation of Council's Local Economic Development plan.

Key Issues

Competitiveness and Employment Programme

This is the principal programme under which Local Economic Development activity will be funded. The programme will be administered by Department for Enterprise, Trade and Investment (DETI). Local authority representation on the Programme Monitoring Committee (PMC) includes Councillor Robin Newton MLA. The new programme is likely to open in late January 2008. Key issues to note include the following:

- There will be no confirmation of "ring-fenced" amounts for each local authority. DETI has suggested that the amounts available to each council will be roughly comparable to the allocation under the previous programme (£5.5 million, matched with equivalent amount from Belfast City Council funding) but Councils will no longer receive a letter of offer for this amount at the beginning of the programme. Instead they will be invited to "bid" for funding – along with all other local authorities – and applications will be funded on a project by project basis. DETI has indicated that councils will not be competing against each other for funding and that they will use nominal allocations for each local authority against which they can draw down funding. DETI has suggested that the call for projects will be advertised in early 2008.
- Activities undertaken as part of this programme must wholly fall within the priorities set as part of the European Union's "Lisbon Agenda".

The six priorities are:

1. Business support infrastructure
2. Business support services
3. Business-education links
4. Pre-enterprise activity
5. Trade development
6. Local tourism development.

- Councils consider that DETI is unconvinced of the legacy value of the work carried out under previous Local Economic Development programmes. Under the umbrella of the Local Economic Development Forum, they have agreed to proactively raise the profile of this work through a series of promotional activities. These should help underline local authorities' ability to develop, deliver and promote local economic development in the light of a possible transfer of powers under the Review of Public Administration (RPA).

Northern Ireland Rural Development Programme

At the November 2007 meeting of the Development Committee, members agreed to cluster with Lisburn City Council and another council (now confirmed as Castlereagh Borough Council) under the new Northern Ireland Rural Development Programme. The other two councils have also ratified this decision. The priority for the local authority-led measure is on improving the quality of life in rural areas and encouraging diversification of economic activity. Eligible activities include support for business creation and development and promotion of local tourism activity. A programme of activities will now be developed by the Councils, in conjunction with DARD. Activity should get under way by Spring 2008.

Northern Ireland European Social Fund Programme

The European Social Fund programme focuses on training activity. No specific allocation has been set aside for local authorities under this programme, although they can make applications under the Access to Employment measures. Only two calls for applications are to be made: one call closed in November 2007 and another call will be issued in 2010. Belfast City Council submitted an application for funding in November 2007 for a three year programme to support training and access to employment in the retail and hospitality sectors. This application was successful and, pending the completion of an economic appraisal by Department for Employment and Learning (DEL), a letter of offer will be issued in February 2008. The value of this application is £495,000. The application was made in conjunction with a range of partners including the Sector Skills Councils in both sectors, local colleges and training providers and other local authorities in the COMET region. This programme should get under way by late Spring 2008, subject to the letter of offer being issued by DEL.

Resource Implications

No additional resources required.

Recommendations

Members are asked to note this report.

Key to Abbreviations

DETI – Department of Enterprise, Trade and Investment
RPA – Review of Public Administration
PMC – Programme Monitoring Committee

