

Consultation on the Future “EU2020” Strategy

Preston City Council Response

Preston City Council welcomes the opportunity to put forward its views on the future “EU2020” Strategy.

The Strategy paper recognises the depth of the current economic and financial crisis and the challenges the EU faces if a smarter greener economy is to be achieved.

1 Themes

- 1.1 Preston City Council agrees that the key drivers should be thematic and focused on the areas highlighted in the consultation paper (creating value by basing growth on knowledge, empowering people in inclusive societies, and creating a competitive, connected and greener economy).
- 1.2 The consultation paper recognises that there will be several entries in and exits from the labour market during a working lifetime. This can have an impact on skills development as some organisations can be less willing to invest in training for their employees due to the short term nature of employment (e.g. fixed term contracts). Therefore encouraging flexicurity and lifelong learning for all employees is key as a way of growing skills and avoiding long term unemployment.
- 1.3 These themes agree with the ESPON research and national government research (UK White Papers: Skills for Growth : The National Skills Strategy; Going for Growth : Our Future Prosperity and New Industry New Jobs).
- 1.4 The view of Preston City Council is that there must be a balance between support for competitiveness and social cohesion because too much emphasis on one area can be to the detriment of the other.

2 Role of Cities and Regions

- 2.1 One-size does not fit all, and the EU is made up of diverse regions with differing needs and priorities, there also needs to be some flexibility within all the thematic areas, funding and financial instruments to allow for more local needs to be met. Current resources will be inadequate to address challenges at local and regional level.
- 2.2 However, the paper pays insufficient attention to the role of cities and regions in delivering and implementing policy actions and programmes designed to address the issues set out in the paper. We would support to Committee of the Regions (CoR's) views in this respect and endorse their recommendation that greater account be taken of cities' roles in

particular, both in terms of their local impact and in terms of their roles as hubs for wider economic growth and environmental and social interaction across wider functional economic areas and sub-regions.

3 Budget

- 3.1 However, in order to achieve these priorities, there needs to be funding underpinning it. The current EU budget continues to reflect traditional spending areas which conflict with some of the new policy areas (energy, climate change) and the themes outlined in the consultation. Therefore there will be competing priorities because there is much more to be achieved with the same amount of money. In addition there will be increasing pressure on cohesion funds, particularly in richer member states.
- 3.2 The Commission's budget proposals will need to show much greater ambition in this respect and there will need to be substantive and radical change if there is not to be a radical disconnect between the strategy aspirations of the EU and the programmes which it actually supports. In this respect we support the commentary on these issues provided by the European Policy Centre (EPC) which highlights the changes in budgetary allocations which will need to be made if the priorities set out in Europe 2020 are to be addressed.
- 3.3 In addition, there needs to be some flexibility within the funding streams which allows for delivery at a local level as well as regional / cross-border. This applies to the way in which ESF and ERDF funds are co-ordinated/managed in particular, and in this respect we are supportive of the work piloted by Eurocities on Integrated Local Development (ILD).

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