

CONSULTATION ON THE FUTURE “EU 2020” STRATEGY

Response from the West Midlands Region

Key points

The West Midlands region:

- **Welcomes the proposed priorities**, particularly the greater emphasis which is placed on the environmental and social aspects of cohesion and how these are intrinsically linked to jobs and growth.
- Calls for the **mandatory involvement of local and regional government in the governance and reporting mechanisms** for the EU 2020 Strategy. The Strategy’s success will be directly linked to the involvement and support of local and regional politicians.
- Strongly urges the European Commission to **acknowledge fully the important delivery role of local authorities and sub regions/ city regions**, play in the delivery of EU 2020 and that this be **reflected in the proposals to be put to the Spring Council** for approval.
- Considers that it is particularly vital that **future EU cohesion policy, should be fully aligned to the EU 2020 Strategy** to support its delivery at the local level and that this is **made available to all regions of the EU** to address both the deep-seated problems, as well as the challenges of tomorrow, which are set out in the Strategy. Cohesion Policy post-2013 should therefore continue to retain a ‘Competitiveness’ objective available to all non-convergence regions which should support the implementation of the EU2020 strategy.

1. Overview

- a. The West Midlands welcomes the consultation on the Future EU 2020 Strategy although regrets that this consultation comes at a relatively late stage and the region would have welcomed a more prolonged dialogue between the EU, national governments, regions and local authorities regarding the future changes to the Lisbon Strategy for Jobs and Growth combined with a serious analysis about why it has not fully delivered
- b. The region welcomes the proposed priorities, particularly the greater emphasis which is placed on the environmental and social aspects of cohesion and how these are intrinsically linked to jobs and growth.. Growth in knowledge is key to future economic success and needs to be underpinned by support for regional research infrastructures that can help all regions maximise their regional capacities.
- c. The region is, however, disappointed by the lack of detailed proposals relating to the delivery of the EU 2020 Strategy and the lack of recognition given to the crucial role that regions and sub regions/ city regions play in being catalysts of change in the delivery of knowledge-based growth, inclusive societies and greener economies. It could be argued that EU2020 needs to pay more attention to the ‘how’ and not the ‘what’.

2. Priorities

- a. The West Midlands shares the EU 2020 vision of a more inclusive, more sustainable, greener and strong knowledge-based economy and welcomes the priorities set out in the consultation document of:
 - Creating value by basing growth on knowledge
 - Empowering people in inclusive societies
 - Creating a competitive, connected and greener economy
- b. These priorities are already considered core priorities at the local and regional level and examples of action underway under these priorities are given in Annex1

3. Governance and reporting

- a. Little is proposed about the governance of the EU 2020 strategy. The current governance and reporting mechanisms used for the Lisbon Strategy of the Open Method of Co-ordination and the National Reform Programmes have been weak, formulaic, lacking in transparency and with only very limited opportunities for regions and sub regions/city regions to directly contribute.
- b. The involvement of regional and local government in any governance and reporting mechanism should be mandatory so that the effectiveness of the EU 2020 priorities (and associated delivery resources) and how they flow from national to regional and local level can be monitored and assessed. There should also be an opportunity in the governance and reporting structures for the local level to feed back up the chain. Without this EU2020 Strategy will lack credibility and democratic legitimacy at the local and regional dimension.

4. Delivery - the importance of the regional and local level

- a. The West Midlands feels that in developing the strategy the important role to be played by regional and local authorities across Europe in delivering EU 2020 on the ground should be stressed and we urge the European Commission to highlight this in the proposal that is sent for agreement at the Spring Council in 2010.
- b. The local and regional level is where many EU and national policies come together and, most crucially, where they are delivered on the ground. Local authorities and major cities such as Birmingham are on the frontline and taking the lead when it comes to dealing with issues such as the impact of the recession, worklessness, developing green energy initiatives and behaviours, and investing in the knowledge economy. Local authorities are particularly well positioned to utilise existing strong local strategic and delivery partnerships involving public sector agencies, the private sector and civil society. This 'place-based development policy'¹ provides a framework for a long-term integrated strategy aimed at both tackling persistent under-utilisation of potential and reducing persistent social exclusion through external interventions and multi-level governance as well as encouraging an innovation rich economy.

The West Midlands would also like to point out that the move towards developing Single Integrated Regional Strategies (SIRS) provides English regions with a significant opportunity to embrace the EU2020 Strategy and to integrate European programmes with both economic development and spatial priorities and challenges. We would encourage the Commission, in delivering EU 2020, to show such a joined up approach

¹ As referenced in the Barca Report 2009

to its funds allocated with the regions and allow scope for these funds to be co-ordinated at a regional level under SIRs type approaches.

- c. Annex 1 provides an overview of just a selection of projects and initiatives that West Midlands partners are leading to deliver EU 2020-type actions.
- d. It is particularly vital that future EU cohesion policy is fully aligned to the EU 2020 Strategy to support its delivery at the local level and to provide secure longer term public investment. It is crucial that this is made available across all regions of the EU to address both the deep-seated problems linked to the economic crisis, as well as the challenges of tomorrow, which are set out in the EU 2020 Strategy. As national and regional public funding is likely to decline due to the economic recession and the need to reduce public sector deficits, external funding for all regions will be required to support the implementation of EU2020 over the next EU budget period.
- e. Cohesion policy has already been instrumental in shifting the attention of sub-national levels towards key EU priorities in the area of sustainable development, inclusion, and innovation. The leverage effect cannot be underestimated since the sub-national levels are responsible for the design and implementation of around 70% of public investment in Europe.

About the West Midlands

The West Midlands is a dynamic forward looking region that is in the process of change. Increasingly the region is moving away from its industrial past towards a knowledge based economy (including high value manufacturing) where research and innovation are seen as vitally important

The Birmingham Science City initiative with its partnership based approach of involving the Regional Development Agency (AWM), key universities and local authorities is at the heart of pushing innovation and research in the region.

We are a region

- Of 5.6 million people - bigger than Scotland or Wales
- With a good innovation record; with strong and entrepreneurial Universities at its core with over 120,000 higher education students
- With a diverse population and dynamic population
- With improving school educational standards (Birmingham has the best school results from the Core Cities group)

Despite the successes of the region the recession has hit the West Midlands hard – with unemployment higher than any other UK region and with a significant proportion of under performing businesses and with lower than average skills levels. These are issues where progress is being made but where continued engagement with the EU is essential.

Contact Point

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Annex 1: Examples of how the West Midlands is already leading and delivering on EU2020-type actions

EU 2020 priority 1: Creating value by basing growth on knowledge

Digital Districts

Birmingham's Digital District will transform the Digbeth area of Birmingham into a high-quality environment for working, living and learning, supported by an exceptionally high-speed network. The District will act as a catalyst in encouraging growth in specific business sectors which rely on high bandwidth to compete globally. Benefits to the city would be to increase its competitive advantage, attract new businesses, new jobs and maintain the city's reputation as a leading digital city. Other areas in the region are also showing leadership in this policy area – most notably the plans for Walsall Gigaport

<http://www.digitalbirmingham.co.uk/projects/digital-districts->

Birmingham Science City

Birmingham is leading the way in positioning Birmingham and the wider West Midlands region as the premier location for science and technology through the Birmingham Science City partnership. Focusing on four key technology strengths - digital, low carbon, innovative health care and security technologies - the partnership will firmly establish the region as a centre of scientific and technological excellence.

<http://www.digitalbirmingham.co.uk/case-stories/number-one-destination-for-science-and-innovation->

<http://www.birminghamsciencecity.co.uk/about-us/default.aspx>

<http://www.birminghamsciencecity.co.uk/projects/default.aspx>

Warwick University's new £50m **International Digital laboratory** – opened by the Prime Minister in 2009, is targeting digital research, education and technology transfer.

<http://digital.warwick.ac.uk/>

EU 2020 priority 2: Empowering people in inclusive societies

There are a host of projects across the region tackling this priority already including as illustration

Enterprising Coventry

Coventry City Council was successful in winning over £12 million from the Government's Local Enterprise Growth Initiative to work with local people and businesses to help transform Coventry into a city of enterprise. A wide range of support services are available to help local people start their own business, to grow existing businesses and to help those unemployed or on benefits move into work.

<http://www.enterprisingcoventry.co.uk>

Stimulating enterprise through coaching

This Birmingham project aims to build an entrepreneurial culture people in deprived communities, providing individuals with the skills and knowledge to start their own business.

<http://www.birmingham.gov.uk/cs/Satellite/entrepreneurs?packedargs=website%3D1&rendermode=live>

The OPEN project

Run by the West Midlands Leaders Board, OPEN is a two year transnational project funded through the ESF PROGRESS funding stream. Transnational partners include partners in Italy, Spain and Germany. The key aims of the project are to:

- Raise debate at a local, national and European level on how to best tackle issues around social exclusion around six key themed areas – namely ,Children conditions, rights and protection; the labour market: a place that is safe and free from exploitation; family policies: how to ensure decent housing for everyone; new mechanisms to promote social and job inclusion for people with disabilities; ethnic minorities and immigrants: positive actions to support tolerance and respect and health and long- term care for aged people
- Secondly to build meaningful two way dialogue with frontline organisations and policy makers in order to build the agenda around social cohesion.

http://www.wmra.gov.uk/documents/The%20OPEN%20Project_v2.pdf

EU 2020 priority 3: Creating a competitive, connected and greener economy

The West Midlands Climate Change Declaration

West Midland's Climate Change Declaration is a commitment by the region to seriously reduce its carbon footprint. Local Authorities across the region have made similar commitments

http://www.wmra.gov.uk/Climate_Change/introduction.aspx

Electric car demonstrator project

Birmingham is part of the CABLED (Coventry and Birmingham Low Emission Vehicle Demonstrators) consortium. The project is worth £15 million and over the next 12 months will trial 110 ultra low-emission vehicles on the roads of Birmingham and Coventry.

<http://birminghamnewsroom.com/?p=5613>

<http://birminghamnewsroom.com/?p=3458>

Re:think Energy

RE:think Energy is a renewable energy capital grant scheme which can offer small and medium sized enterprises (SMEs) grants to assist with feasibility studies and the installation of renewable energy technologies such as biomass heating, wind turbines and solar thermal units. The scheme aims to promote the use of renewable energy technologies; reduce business energy use, operating costs and carbon dioxide emissions; and stimulate the low carbon economy. Shropshire Council is the accountable body and it is delivered in the region's rural areas.

<http://www.rethinkenergy.org.uk>