

A map showing Kent, UK, and its proximity to the English Channel and the European continent. Major cities like London, Dover, and Canterbury are visible in Kent. Across the channel, cities in the Netherlands (Amsterdam, Rotterdam, The Hague) and Belgium (Brussels, Antwerp) are shown. The map is used as a background for the report title.

MAXIMISING THE BENEFITS FROM KENT'S EUROPEAN RELATIONSHIP

Select Committee Report

February 2014

Map data ©2014 GeoBasis-DE/BKG (©2009), Google

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Chairman's Foreword



It is harder to maintain an outward-looking focus and international profile with the economy at the very earliest stages of recovery. However, I believe it is even more important that the authority does so if the County is to take full advantage of the opportunities available from EU funding and, importantly, from valuable partnerships as well as opportunities to learn from the wide range of experience and expertise of our European counterparts.

For example, the backdrop to preparation of this report has been unprecedented flooding in the County and the South of England and we could gain much from our colleagues and partners in the Netherlands who have longstanding expertise in this area. EU funding can provide the opportunity for beneficial cross-border collaboration and EU funding streams (some as yet untapped by the county) could provide the very foundation for innovations on this and other vital issues. With regard to the costly clean-up operation for floods in Kent and elsewhere, KCC will be asking that national government explores all available avenues for EU disaster relief funding to benefit communities in Kent and elsewhere.

With one EU funding programme having just ended; the new programme for 2014-20 is potentially very positive for Kent with the County remaining eligible to benefit from a range of funding streams. They include the 'Interreg' cross-border, transnational and interregional cooperation programmes, the South East Local Enterprise Partnership EU Structural and Investment Fund (SIF) programme, as well as a range of EU-wide 'thematic' programmes such as Horizon 2020, the EU's programme for Research and Innovation. I believe KCC's continued and reinvigorated focus on this activity will help to maximise the share of EU funding that KCC and Kent organisations can achieve, in support of our core business priorities.

I am grateful to colleagues on the Select Committee for their energy in completing this major project in a relatively short period of time, and to Sue Frampton, our Research Officer, for covering a lot of ground and producing a highly readable report.

A handwritten signature in black ink, appearing to read 'Andrew Lewis'.

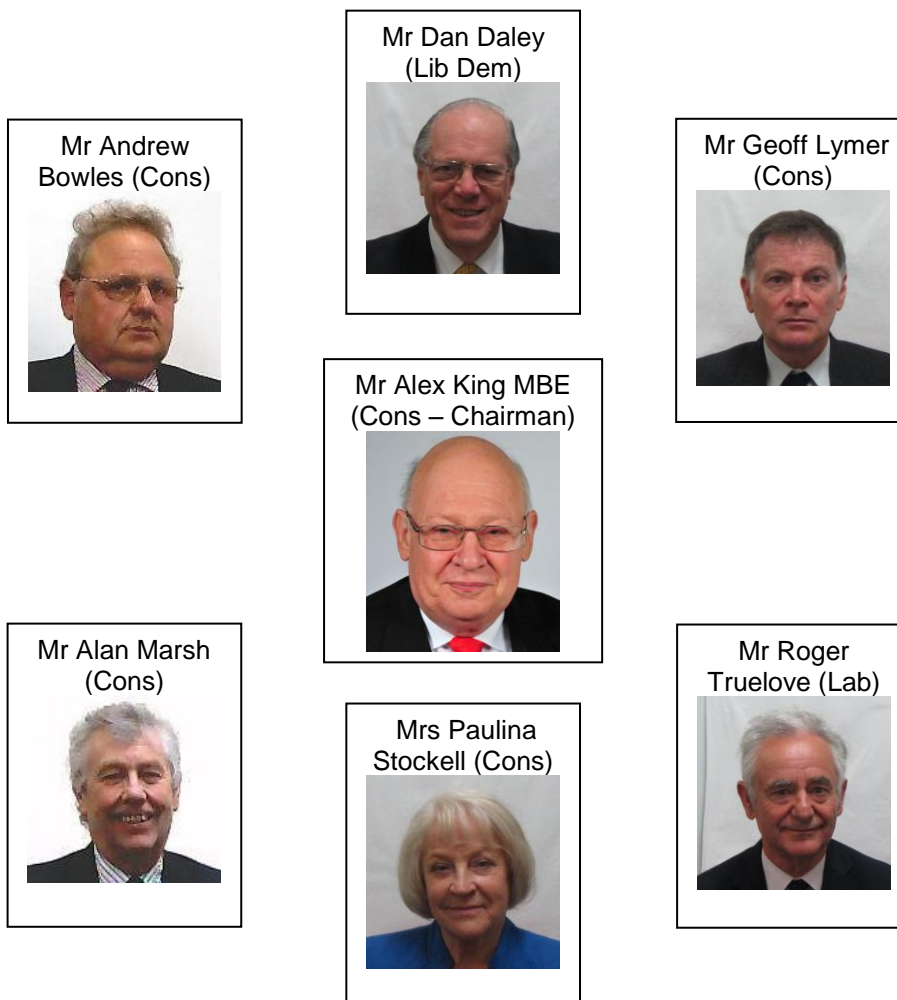
Select Committee Chairman

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I EXECUTIVE SUMMARY

1.1 Committee membership

The Select Committee comprised seven Members of the County Council; five Conservative, one Labour, one Liberal Democrat; the Chairman being Mr Alex King MBE. There were two UKIP vacancies. Kent County Council Members:



1.2 Establishment of the Select Committee

- 1.2.1 The Select Committee was approved by Scrutiny Committee on 12th November 2013, having resulted from concerns that there should be a clearer understanding of the benefits and challenges from Kent's international and EU funded work and activities as well as opportunities for the future.

1.3 Glossary

- 1.3.1 A glossary of common acronyms is provided at Appendix 1.

1.4 Terms of Reference (TOR)

1.4.1 To determine:

- The benefits, disbenefits and challenges for KCC, Kent organisations and the Kent economy from KCC's European engagement and activities over the period 2008-13.
- The key lessons that may be drawn from engagement and activities undertaken during this period
- What KCC needs to do in order to maximise the potential benefits to the County from European engagement and activities in the future.

1.5 Scope of the review

1.5.1 To determine the benefits and challenges for KCC, Kent organisations and the Kent economy from KCC's European engagement and activities over the period 2008-13:

Gain an understanding of how KCC's EU related work operates and is resourced

- Projects:
 - i. For which projects was EU funding secured during the last EU funding round (KCC and Kent) and what was the value of that funding?
 - ii. How do projects arise/how are they selected?
 - iii. (Highlight projects representing a number of sectors¹ and explore the challenges faced with regard to securing EU funding as well as the benefits to Kent realised (or anticipated) from project activity)
 - iv. Was KCC able to fully exploit opportunities for EU funding during this period/barriers to doing so/potential solutions.
 - v. What are the issues around match funding?
- Policy:
 - i. How has KCC exercised its role (in the UK and in Europe) in the last four years to influence and impact on European policy in order to benefit Kent?
 - ii. What have the outcomes of that activity been?

¹ This may include, for example, the areas of business, trade and export, inward investment, cross-border tourism, economic development and regeneration, rural development and the environment.

- Partnerships:
 - i. What partnerships have been developed in Kent in relation to European engagement (including Kent International Business)?

How does the learning from KCC's EU related work feed into business planning?

1.5.2 To determine the key lessons that may be drawn from engagement and activities undertaken during this period:

What has been learned from KCC's experience and activities in relation to policy, partnership and projects? Including:

- How could EU funding opportunities be maximised?
- What opportunities are there for income generation or cost-saving?

1.5.3 To determine what KCC needs to do in order to maximise the potential benefits to the County from European engagement and activities in the future:

- Make recommendations for action by KCC
- Make recommendations for any further research required to assist decision-making on this topic

1.6 Exclusions

1.6.1 It was agreed at the outset to exclude any wider debate in relation to the European Union, in order to reduce potential discord and focus as a committee on gaining the maximum benefit for the Council and for Kent.

1.7 Evidence gathering

1.7.1 Three half-day hearings were held in early January. A list of witnesses who attended hearings is given at Appendix 2. A list of witnesses who provided written or supplementary evidence is given at Appendix 3.

1.7.2 A questionnaire (Appendix 4) was sent to project leads (who could be readily identified) for EU funded Kent projects in the last programme period.

1.7.3 A 'mini-questionnaire' (Appendix 5) regarding awareness of KCC's International work and EU funding opportunities was sent to KCC directors and senior managers.

1.8 Key findings

- 1.8.1 Kent County Council (KCC) and Kent have benefitted significantly from European Union (EU) funding over the last EU funding programme (2007-13) with over £9 million in grants being secured for KCC and over £31 million for Kent during that period, facilitating more than 80 projects.
- 1.8.2 This has been possible due to the involvement and expertise of International Affairs Group (IAG) who have overall responsibility for the authority's European activities. Their work to develop cross-border partnerships and to influence EU and government policy continues to be a crucial factor in bringing EU funding into the County. The Select Committee believe that the role of KCC Brussels Office has a key part to play in this.
- 1.8.3 IAG maintain a strategic overview of EU funded projects in Kent and facilitate EU-funded projects in which KCC has an involvement, either as lead organisation or partner, however the authority's resources to support project development and implementation have become diluted and would benefit from renewed direction, support and commitment from the County Council. Some potentially valuable EU funding streams are as yet untapped.
- 1.8.4 **Provided this commitment can be achieved, there is potential for over £100 million in EU funding to be brought into the County during the next EU funding programme period 2014-20.**
- 1.8.5 Despite the availability of this significant sum to invest in the Kent economy and the fact that EU funds are integral to growth plans, there is generally a low awareness among many directors and senior managers of how EU funding could support the Council's core business priorities. Benefits to the County could be maximised on production of a revised International Strategy, a comprehensive EU funding guide and by a renewed focus on publicising project successes and future opportunities.
- 1.8.6 New arrangements for the administration of European Structural Investment Funds through the South East Local Enterprise Partnership (LEP) will provide opportunities for match-funding with national agencies, bringing a range of expertise to project partnerships. Local arrangements are in the early stages of development and it will be crucial for KCC to work closely with the LEP to promote the plans and priorities for Kent including, in particular, rural priorities; and for the LEP to benefit from KCC's considerable international expertise and experience. A commissioning plan is required to ensure that available resources are used to support core business priorities for Kent.
- 1.8.7 KCC has a resource in the Hardelot Centre that should be developed to bring greater educational and potentially trade development benefits to the County as well as providing income for reinvestment.

1.9 Recommendations

R1 That:

- ***International Affairs Group (IAG) works to maximise funding, activity and projects from the South East Local Enterprise Partnership's (LEP) European Programme and supports the commissioning process for KCC, Kent and Medway projects through that programme***
- ***the LEP delivery architecture includes the involvement of an appropriate rural organisation so that the rural priorities of the county will be pursued as an integral part of Kent and Medway's overall objectives for growth.***
- ***KCC lobbies central government to ensure that it accesses appropriate EU national funding streams for rural issues and the EU Solidarity Fund in relation to recent floods***

R2 That International Affairs Group (IAG) updates KCC's International Strategy: Global Reach Local Benefit in concert with the Local Enterprise Partnership EU Structural Investment Funds Strategy for the South East and the Kent and Medway Local Growth Plan, taking account of and noting the recommendations of this report and that in addition, IAG produce or commissions EU funding guidance for the 2014-20 funding programme.

R3 That International Affairs Group prioritises its partnership development function, increasing its capacity to maintain and develop the relationship with local and European partners; businesses and Members of the European Parliament in the South East to maximise the potential for EU funding.

R4 That the Hardelot Centre is developed as a flagship link between South East England and Northern France: that solutions are sought for an increase in accommodation to enable a diversification of use (with a focus on language skills, cultural awareness and exchange) to foster Anglo-European partnerships and maximise trading opportunities for Kent businesses in Region Nord-Pas de Calais and further afield.

R5 That the role of KCC's Brussels Office is strengthened and refocused towards policy, influencing and the provision of guidance to KCC and Kent organisations with a particular emphasis on accessing EU Thematic funding and new Interreg funds for the benefit of Kent and its residents.

R6 That KCC ensures it has sufficient staff resources to optimise the development and implementation of EU funded projects (with, as a minimum, a leading role in each of the three new directorates).

R7 That KCC ensures International Affairs Group and EU project officers are enabled to take advantage of free/low cost communication options (e.g. Skype) in order to maximise cost effective communication/engagement opportunities with EU partner organisations.

R8 That International Affairs Group and KCC as a whole:

- seek to raise further the profile of Kent's international work to date and of the future opportunities from EU funding***
- with local partners, seek creative ways to publicise successful EU funded projects in Kent/within the South East Local Enterprise Partnership area, including through the building in of publicity measures and costs into future funding bids as part of the projects' communication strategies.***

R9 That KCC seeks, through EU project work, partnerships and trade development activities:

- to maximise export opportunities for Kent businesses, aiming to close the 2% gap between businesses that export in Kent and Nationally***
- to promote Kent as an attractive location for businesses in Europe and further afield***

R10 That KCC continues to make the case for improved international rail connectivity at both Ashford and Ebbsfleet, supported by the business case for Transmanche Metro which is due to be published later this year.

The Select Committee would like to express strong support for the Ashford Spurs project for which KCC is the lead authority, and which is at an advanced stage of development with most of the funding committed for the planning and design stage, since Ashford must be assured of future international rail connectivity in order to benefit the people of Kent and Kent businesses.

2 INTRODUCTION – EU FUNDING

2.1 EU Funding

2.1.1 There are numerous EU funding programmes at national, territorial (involving international co-operation) and pan European levels as shown in Figure 1 below.

Figure 1: European funding ‘in a nutshell’²

Type of Funding	‘National’ EU Programmes	Territorial Co-operation Programmes	Pan-European ‘Thematic’ Programmes
Example Programmes	European Regional Development Fund (ERDF) Competitiveness programme European Social Fund (ESF) <i>New EU Growth Programme combines ERDF and ESF</i>	Interreg IVA 2 Seas Interreg IVB Interreg IVC <i>Interreg V (2014-2020)</i>	Formerly FP7 (Framework Programme for Research) - <i>Now Horizon 2020</i> Life Programme (Environment) Youth programme
Coverage	Formerly based on Regional Development Agency (RDA) areas in UK <i>Now based on Local Enterprise Partnership (LEP) areas</i>	Cross border (e.g. France-UK) Transnational (e.g. NW Europe) Interregional (EU wide)	All EU Members States (and sometimes neighbouring regions)
Funding Rate	Normally 50%	50-75%	50-75%
Who can apply?	Public and not-for profit sectors	Public and not-for profit sectors	Various organisation types

² Steve Samson, Trade Development Manager – supplementary evidence.

2.1.2 A number of funding streams have been accessed by KCC/Kent from 2007-13. Primary sources of funding have been Interreg (trans-national co-operation funds) and the European Regional Development Fund (ERDF) Competitiveness and Employment Programme. Projects secured under the Seventh Framework Programme for Research and Technical Innovation included, for example, two projects under the Intelligent Energy Europe Programme worth around £500k.

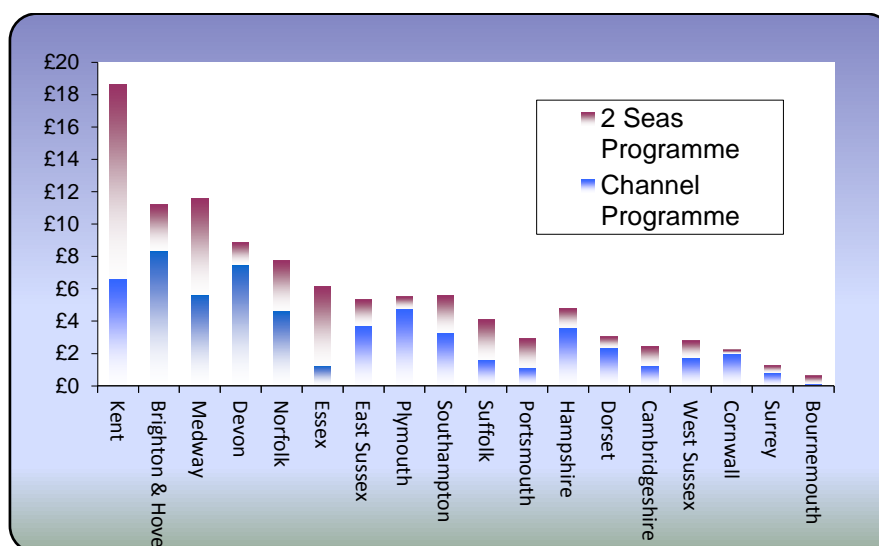
2.2 EU Funding into Kent (2007-2013)

KCC has secured from EU Funds at least £9 million and over £31 million for Kent in the last programme period

2.2.1 The Select Committee has learned that with respect to projects approved during the 2007-13 programme period KCC has facilitated, led or partnered on more than 80 EU funded projects; the funding secured for KCC was approximately £9.2 million with a total of more than £31.6 million for Kent as shown in the table (Figure 2) on the following page. The Kent amount includes £10 million allocated from the European Social Fund for employment and training measures including £700k from the Skills Funding Agency to support redundant workers from the Pfizer plant in Sandwich.³

2.2.2 The funding Kent has secured from the two cross-border cooperation programmes, Interreg IVA 2-Seas and Interreg IVA Channel, is well ahead of that achieved by other eligible English County and unitary areas as shown in Figure 3 below:

Figure 3: Interreg IVA Funding 2008-13: County and Unitary areas (£ million)⁴



³ Ron Moys, Head of International Affairs Group – written evidence

⁴ Ibid

Figure 2: EU Funding into Kent 2007-13

(0.85 exchange rate – please note figures are approximate as rates vary)

Name of Funding Programme	No. of Projects Approved involving Kent partners	Total Value of Projects (EU + match funding)	Total Value of EU Funding Secured for Kent	Total Value of EU Funding Secured for KCC
Interreg IVA 2 Seas	37	£89,561,539	£13,185,365	£6,239,985
Interreg IVA Channel	30	£39,575,068	£5,004,190	£1,510,391
Interreg IVB North Sea Region	2	£7,192,101	£641,340	£136,015
Interreg IVB North West Europe	8	£42,212,944	£1,713,138	£288,073
Interreg IVC	5	£6,945,559	£ 615,881	£615,881
South East ERDF Competitiveness	2	£1,244,976	£622,488	£373,401
European Social Fund	<i>(Data not readily available from Co-financing Organisations)</i>	£9,828,375 <i>(Estimate for Kent as Data only available at <u>Kent & Medway</u> Level)</i>	£9,828,375 <i>(Estimate for Kent as data only available at <u>Kent & Medway</u> Level)</i>	
TOTAL	84		£31,610,777	£ 9,163,746

- 2.2.4 Mr Moys, Head of International Affairs Group (IAG) informed the Select Committee that in addition to Interreg, Kent has also secured funding under the South East European Regional Development Fund (ERDF) Competitiveness Programme 2007-13, including the 'Low Carbon Futures' project (£373K in ERDF grant for Kent) aimed at helping local authorities to deliver carbon reductions⁵.
- 2.2.5 Similar levels of funding were facilitated by the group in previous programming periods beginning with Kent's participation in its first Interreg cross-border co-operation programme in 1992. Successes have included, for example, securing the only EU URBAN II programme in the South East worth £8.2 million, which financed 88 projects (11 led by KCC) in Dartford and Gravesham between 2002 and 2007.
- 2.2.6 During the final year of the EU funding programme for 2007-13 Kent seized a number of opportunities to obtain Interreg IV 'Cluster' funding. Cluster projects are EU funded at a rate of 100% (i.e. requiring no match funding from the partners). A total of 23 Clusters were approved by the Programme Authorities between July 2013 and January 2014 and it is significant to note that 8 (14%) of 56 successful UK project bids were made by Kent County Council demonstrating the commitment of officers to maximising the benefits to KCC and Kent from EU funding.⁶
- 2.2.7 The focus of this funding was to examine (jointly in 'clusters' of partner projects) the learning and outcomes from Interreg work undertaken over the past seven years. The eight projects for which KCC received approval attracted funding of £283,207 for the first phase of work.⁷ A second phase will look at the potential for future projects.⁸
- 2.2.8 Further details and examples of a number of projects are provided in Section 4.

2.3 Rural Funding - LEADER

- 2.3.1 Over the last funding programme period, the Rural Development Programme for England (RDPE) received money directly from the EU⁹; from where it was allocated to National LEADER areas as shown by the map on the next page (Figure 4).

⁵ Ron Moys, Head of International Affairs Group – written evidence

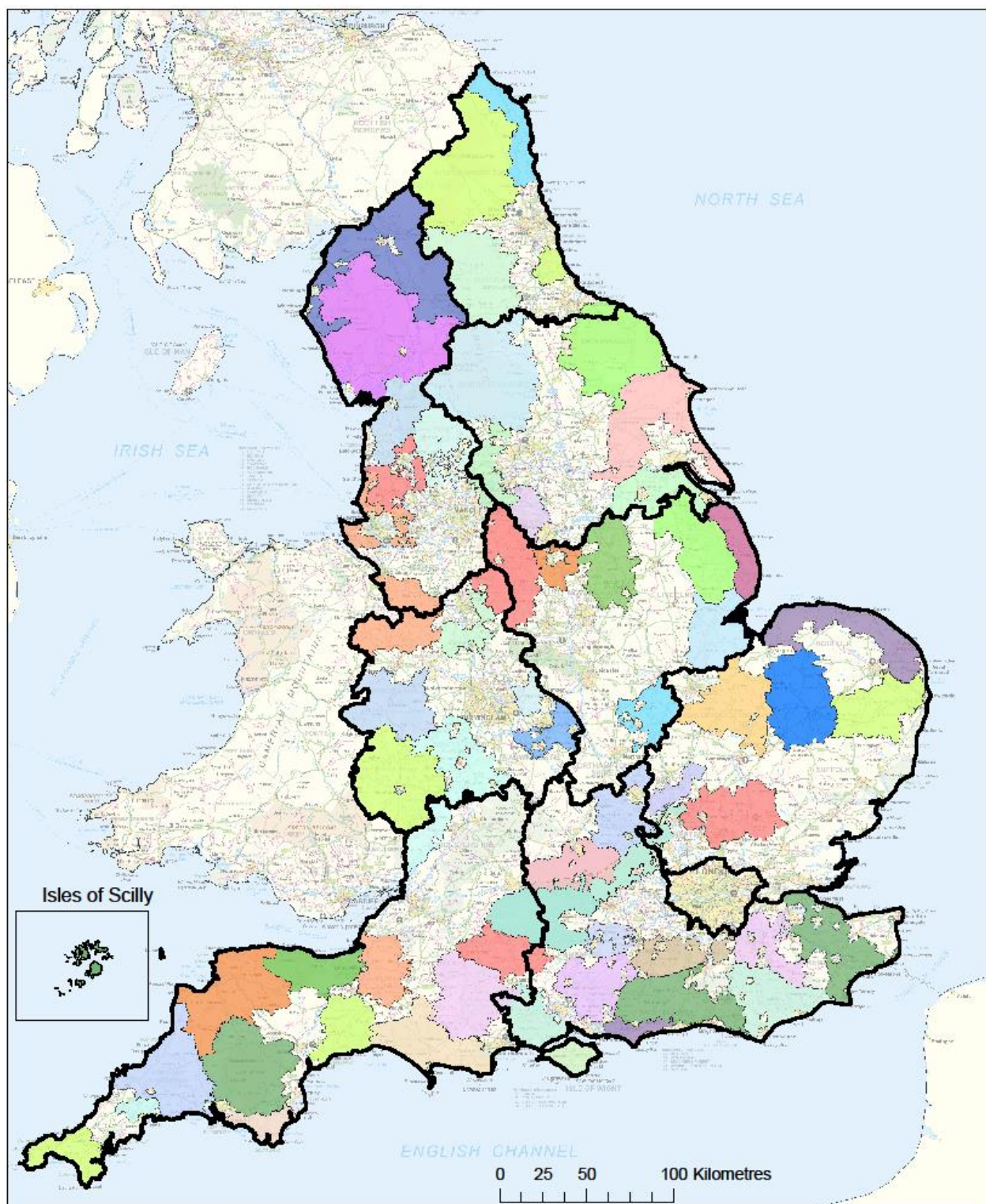
⁶ Source: List of EU Cluster Beneficiaries at http://s3.amazonaws.com/2seas-us/page_ext_attachments/1396/2014_01_20_Clusters_list_of_beneficiaries.pdf

⁷ 333,185 Euros at an exchange rate of 0.85

⁸ Carolyn McKenzie, Sustainability and Climate Change Manager - oral evidence

⁹ firstly to the South East England Development Agency (SEEDA) then the Department for Environment, Food and Rural Affairs (DEFRA)

Figure 4: Map showing national LEADER areas 2007-13



 <p>This map highlights the spread of Local Action Groups throughout England.</p>	<p>(c) Crown copyright All rights reserved Defra 100018880 2009</p> <div style="display: flex; justify-content: space-around; align-items: center;">     </div> <p>The European Agricultural Fund for Rural Development Europe investing in the future</p>
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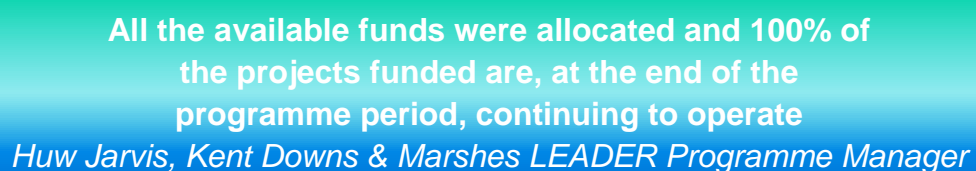
2.3.2 As the map shows, Kent achieved this funding for two separate areas: The Kent Downs and Marshes LEADER and the West Kent LEADER. The former, for which KCC was the accountable body, received EU funding of **£1.63 million**¹⁰ and the latter, for which the West Kent Partnership/Sevenoaks District Council was the accountable body, received around **£1.3 million**.

2.3.3 The Kent Downs and Marshes Local Action Group set its priorities (in line with those of the RDPE) as:

- Adding value to local products (with particular focus on the land-based sector)
- Fostering sustainable rural tourism (building on the unique landscape-asset base of the area)
- Assisting rural communities (including businesses) in managing change¹¹.

2.3.4 Individual projects could compete for funding of up to £50,000 and this was awarded based on fulfilment of criteria and objectives outlined in the Local Development Strategies. In total 116 rural projects were supported in Kent; three examples of which are outlined in Section 4. However, some rural areas of Kent were excluded due to the requirement for LEADER areas to have a maximum population of 150,000. Members understand that representations are being made to increase this up to 200,000.

2.3.5 Over the recent programme period over £4 million total funding (including match funds) has been brought in to the rural economy through the Kent Downs & Marshes LEADER and, significantly the cost to KCC has been less than £67,000.¹²¹³



All the available funds were allocated and 100% of the projects funded are, at the end of the programme period, continuing to operate
Huw Jarvis, Kent Downs & Marshes LEADER Programme Manager

2.3.6 In the current EU programme period, LEADER will continue to be an important and mandatory source of funding for sustainable rural development in Kent as part of new multi-fund arrangements for Community Led Local Development.¹⁴

¹⁰ EU funding granted to Kent Downs and Marshes in 2008 was £2.25m but this was reduced to £1.63 million in the 2010 funding review.

¹¹ Kent Downs and Marshes Local Development Strategy (2008) at:

<http://www.kentruralnetwork.org.uk/leader/kent%20downs%20marshes%20LDS%20submission.doc/>

¹² Huw Jarvis, Kent Downs and Marshes LEADER Programme Manager - written evidence

¹³ since staff time has been funded as part of project administration costs

¹⁴ Source: CLLD Guidance at http://enrd.ec.europa.eu/themes/clld/en/clld_en.cfm

2.4 Changes to EU Structural (Cohesion) Funds 2014-20

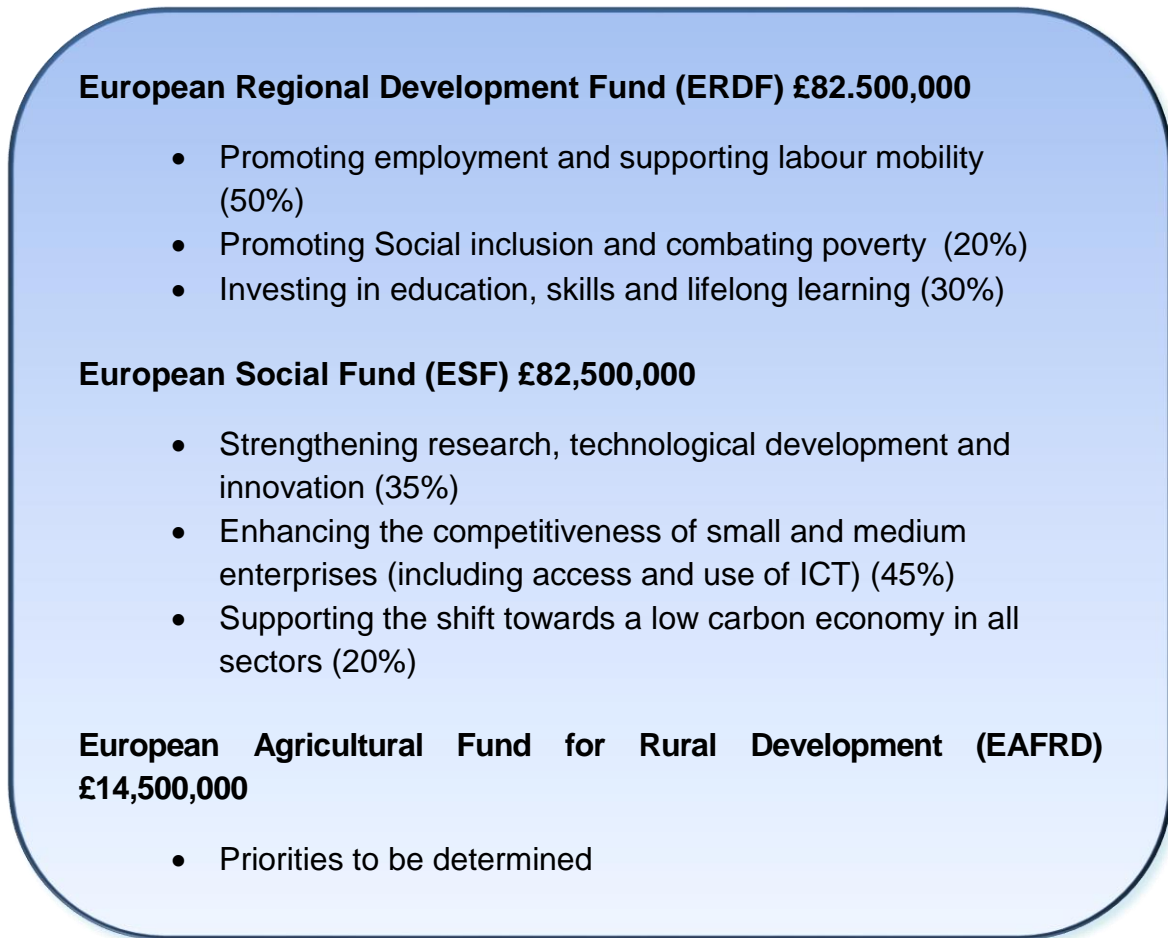
European Social Funds (ESF), European Regional Development Funds (ERDF) and European Agricultural Funds for Rural Development (EAFRD) funds are essential resources to deliver key elements of our Strategic Economic Plan
Chapter 12 - South East LEP ESIF Strategy (2014)

- 2.4.1 EU Common Strategic Framework (Structural) Funds are designed to increase employment and growth through investment in local projects. A national consultation took place in 2013 on fundamental changes to both the content and organisation/distribution of these funds, in an effort to make them simpler and easier to operate. Whether this aim will be achieved is not yet known. Funds included in the consultation were the European Regional Development Fund (ERDF), European Social Fund (ESF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF)¹⁵. Central to the new model of operation is the EU Growth Programme combining objectives of the ERDF and the ESF with priorities including research and development, innovation, employment and skills, low carbon development and business competitiveness.
- 2.4.2 The value of the funding to England over the seven year period (2014-20) is €6 billion, under the new title of European Structural and Investment Funds (ESIF). Whereas during 2007-2013 up to 50% was top-sliced and administered nationally via Regional Development Agencies, for 2014-20 95% of the total fund will be administered locally through Local Enterprise Partnerships (LEPs) each of whom was asked by government to produce an ESIF Strategy linked to their Strategic Economic Plan.¹⁶ The Draft ESIF Strategy for the South East was submitted in the autumn and a final draft was submitted in January 2014.
- 2.4.3 The South East Local Enterprise Partnership (LEP) comprises East Sussex, Essex, Kent, Medway, Southend and Thurrock and it is the intention that EU funding will be aligned, as far as possible with growth funds to be managed as part of local economic plans.
- 2.4.4 Allocations across the South East Local Enterprise Partnership of EU Funding, with the amount from the European Agricultural Fund for Rural Development (EAFRD) having been more recently announced, are shown in Figure 5 below:

¹⁵ previously known as the European Fisheries Fund (EFF)

¹⁶ <http://www.southeastlep.com/about-us/activities/european-structural-and-investment-fund-strategy>

Figure 5: South East LEP EU fund allocations and priorities



2.4.5 It can be seen therefore that European funding of around £179.5m has been allocated to the South East Local Enterprise Partnership (LEP). It is proposed that Kent and Medway's share; around £70 million from 2014/15 with £505 million from the Local Growth Fund (from 2015/16) will fund the achievement of Kent and Medway's place, business and skills-based objectives.

Kent and Medway's share of EU funding through the LEP will be around £70 million

2.4.6 Strict criteria govern the use of EU funds, which may not be used for any purposes other than those outlined in the EU's Common Strategic Framework.

2.4.7 Members were concerned about the absence of focus on rural priorities in the South East LEP's draft strategy for EU Structural Investment Funds but are pleased to note from the final strategy that with regard to the European Agricultural Fund for Rural Development (EAFRD) *"an allocation between*

*priorities will follow as soon as consultation has been carried out with our three County Rural Partnerships and Rural Community Councils and other rural interest groups.*¹⁷ However, to date the Local Enterprise Partnership (LEP) has not engaged with the Kent Rural Board or, for example, the two Local Action Groups involved in the delivery of LEADER.

- 2.4.8 As the EU SIF Strategy notes, over a third of Kent's 18,000 businesses are rural and so rural networks will be key to the successful delivery of growth funds in Kent. Furthermore, given the success of LEADER locally, Members also believe that the experience and expertise of Kent's Local Action Groups and their 'formula' for allocating LEADER funding could be utilised in future as the 2014-20 programme changes are implemented.
- 2.4.9 EU funding will in most cases require match-funding typically of 50% to be provided by the private, public or community sectors; with some central government match funds being provided through co-financing (known as Opt-ins). These arrangements are currently being finalised and an initial tranche of potential Opt-in agencies have been identified by government; others may yet be added. Opt-in arrangements will become binding commitments when European Structural Investment Fund Strategies are agreed by Government in March 2014. Those currently under consideration are shown in Figure 6 below:

Figure 6: Potential Opt-in organisations/programmes



¹⁷ SE LEP EU Structural Investment Funds Strategy pp45

2.5 Future funding opportunities

- 2.5.1 Research carried out for the Select Committee indicates that there are likely to be considerable future funding opportunities from ‘Interreg cross-border, transnational and interregional cooperation programmes; the South East LEP EU Structural & Investment Fund (SIF) programme as well as a range of other EU-wide thematic programmes.’ A matrix outlining opportunities from the various EU funding streams is provided as Appendix 6.¹⁸

A reasonable estimate for the amount of funding that might be secured for KCC and Kent from EU territorial programmes is £100 million

Ron Moys, Head of International Affairs Group – written evidence

- 2.5.2 There is potential for the estimated sum of £100 million EU funding for KCC and Kent to be exceeded and KCC’s commitment to a strengthened focus on the EU’s other thematic programmes would maximise this potential.¹⁹ (R5 refers)
- 2.5.3 Guidance provided to Local Enterprise Partnerships indicates ways that they may increase their financial sustainability by creating revolving funds and the EU provides mechanisms or ‘support instruments’ including JESSICA (JESSICA: Joint European Support for Sustainable Investment in City Areas) to facilitate this. While the provision of loans rather than grants could potentially help to maximise benefits from the available funding, further research into how such funds operate in practice would be necessary before proceeding.
- 2.5.4 Opportunities for commissioning were limited with the European Regional Development Fund (ERDF) at government office level however, within new arrangements for EU funding via the Local Enterprise Partnership (LEP) there is more scope for effective commissioning to ensure local priorities are met. However, greater clarity is required around the relationship between the Council and opt-in agencies, particularly where they commission third parties to carry out EU funded work. Various models for operation have been considered including a ‘federated’ model whereby a body such as the Kent Economic Partnership (which replaced the Kent Economic Board) would administer a proportion of LEP funding.²⁰ Furthermore, adopting a federated model would require a commissioning plan to be devised setting out the types of projects which would support Kent’s economic aims and objectives.²¹

¹⁸ Ron Moys, Head of International Affairs Group – written evidence

¹⁹ Ibid

²⁰ It may be necessary under EU guidance for a sub group to be appointed to carry out project approval.

²¹ Ross Gil, Economic Policy and Strategy Manager – written evidence

2.6 EU Disaster Funding

- 2.6.1 At a meeting of the Select Committee in January 2014 concern was expressed about the flooding experienced in Kent and elsewhere due to unusually harsh storms and heavy rainfall. It was determined that there were EU funds available for such events and an immediate request was made to investigate these. Subsequently, information regarding the EU Solidarity Fund was provided by the Head of International Affairs Group to the Kent County Council Cabinet Member for Economic Development, and KCC's Brussels Office.
- 2.6.2 Since then weather conditions and flooding have worsened and at the time of writing (mid February) it is believed that EU disaster funds have not been sought by the government. Applications may be made to the EU Solidarity Fund within 10 weeks of first damage occurring from a natural disaster. Clearly the South West of England has suffered extensive damage and hardship; flooding to the Thames Valley is also at unprecedented levels. Several areas of Kent have been badly hit and the full extent of damage to lives, livelihoods, property and infrastructure is not yet known, particularly as further severe weather is predicted.
- 2.6.3 Members believe it is entirely appropriate and necessary for the government to seek and if possible, obtain. EU funding to help address the severe problems communities, including those in Kent, are facing.

"The European Union Solidarity Fund (EUSF) was set up to respond to major natural disasters and express European solidarity to disaster-stricken regions within Europe. The Fund was created as a reaction to the severe floods in Central Europe in the summer of 2002. Since then, it has been used for 56 disasters covering a range of different catastrophic events including floods, forest fires, earthquakes, storms and drought. 23 different European countries have been supported so far for an amount of more than €3.5 billion."

http://ec.europa.eu/regional_policy/thefunds/solidarity/index_en.cfm

R1 That:

- ***International Affairs Group (IAG) works to maximise funding, activity and projects from the South East Local Enterprise Partnership's European Programme and supports the commissioning process for KCC, Kent and Medway projects through that programme;***
- ***the LEP delivery architecture includes the involvement of an appropriate rural organisation so that the rural priorities of the county will be pursued as an integral part of Kent and Medway's overall objectives for growth;***
- ***KCC lobbies central government to ensure that it accesses appropriate EU national funding streams for rural issues and the EU Solidarity Fund in relation to recent floods.***

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3 INTERNATIONAL PRIORITIES, RESOURCES AND EXPERTISE

3.1 KCC International Affairs Group

- 3.1.1 International Affairs Group (IAG) has been the focal point for Kent County Council's European engagement and activities and a resource for the whole of Kent. Its 7 members of staff, based in the UK at Invicta House Maidstone, the Hardelot Centre in France and an office in Brussels, are responsible for overseeing and influencing EU policy and legislation relevant to KCC and Kent; for partnership development and EU funding. It has had an increasing focus on Kent's export and trade activities.
- 3.1.2 Spanning the 26 years since KCC first signed an agreement with the Regional Council of Nord-Pas de Calais prior to the opening of the Channel Tunnel, IAG has sought to exert influence on key European policy areas and programmes for the benefit of Kent. It has done so through the establishment of wide-ranging networks, contacts and strategic partnerships in Europe and the UK.
- 3.1.3 IAG also works at the appropriate geographic level to provide co-ordinated responses to EU and UK government policy consultations and reviews.
- 3.1.4 In 2009 IAG co-ordinated a cross-border programme of projects and events to celebrate the Year of Franco-British Partnership. The first Kent International Business event was held in October 2009 to support inward investment, tourism and commerce.
- 3.1.5 Throughout this time, a key objective has been to provide support to KCC Directorates to assist them in bidding for individual projects. IAG facilitate this work and strive to ensure projects are closely aligned to key priorities. A range of other Kent based organisations are also supported, particularly under Interreg. In the past two years the level of support IAG have been able to provide has contracted as resources have become stretched.
- 3.1.6 Following on from the work of this Select Committee, key priorities for International Affairs Group will include:
- Maintaining oversight and inputting to the development and implementation of the 2014-20 EU funding programme;
 - Influencing new programmes to reflect KCC and partners' priorities, including through participation in the Interreg Programme Preparation Groups (PPGs) and South East Local Enterprise Partnership (LEP) EU Working Group;
 - Lobbying and policy influencing, including with the government and European Commission, in support of KCC's EU funding and other policy objectives;

- Maintaining and strengthening links to key European and local partners (including Nord-Pas de Calais, West Flanders, Zeeland and the South East Local Enterprise Partnership) as a prerequisite for the development of future joint projects; (R6 refers)
- Working with Directorates to identify potential EU funding opportunities in support of their business priorities;
- Undertaking targeted initiatives to maximise take-up from key programmes;
- Seeking KCC representation on future decision-making committees;
- Promoting full use of the Kent Brussels Office.²²

3.2 International Strategy

3.2.1 KCC's International Strategy was approved by County Council in 2007 and the revised strategy Kent – Global Reach Local Benefit dates from 4 November 2009. Its areas of focus, organised under chapter headings are detailed in appendix 6. The key priorities noted in the strategy were:

- Concentrate on priorities and activities which bring best value in terms of meeting the County's needs;
- Capitalise on existing links;
- Consider new links only where they demonstrate clear and quantified added value;
- Maximise the benefits to Kent of income generation activities.

3.2.2 The 2009 strategy was accompanied by an updated funding guide: Connecting Kent to European Funding: A Guide to European Funding Opportunities for 2007-2013.

“Don't chase the funding: funding should support your Organisation's policy objectives. Identify what your organisation wants to achieve and how this can be supported through a transnational partnership - then look for potential funding sources.”²³

²² Ron Moys, Head of International Affairs Group - written evidence

²³ KCC International Funding Guide 2007-13

- 3.2.3 Many aspects of the strategy are still relevant today and the advice above was echoed by several officers. The Select Committee's concerns that this could lead to a duplication of effort as different Kent organisations pursue the same funding were alleviated by assurances from officers and external witnesses that strong networks in Kent prevent this from happening. It is also clear to Members that the KCC officers currently involved in identifying projects are well aware of the need for them to support policy objectives and that Kent has been successful in achieving its strategic aims in this regard.

Other areas don't see the funding as a core stream and take a less effective, ad hoc approach to applications

Erica Russell, BSK-CIC – oral evidence

- 3.2.4 Given that a new EU funding programme period has begun there is a need for an updated International Strategy and funding guide. As already outlined, there will be significant opportunities for Kent from the new funding round and since EU ERDF funding (with significant match funding from the local growth fund) is central to Kent and Medway's growth plan it is important that the strategic direction for international work is clear and mirrors new opportunities and priorities as outlined in the EU Structural Investment Fund Strategy and Local economic Plan.
- 3.2.5 Aligning KCC's International Strategy with priorities for Kent in the context of the wider South East Local Enterprise Partnership (LEP) area will also help to ensure that efforts are directed appropriately; reduce duplication and enable a focus on Kent's priorities when competing for funding. Furthermore, a revised strategy and funding guide will help to maximise opportunities to obtain EU funding for work it would otherwise be necessary for KCC to fund.

R2 That International Affairs Group (IAG) updates KCC's International Strategy: Global Reach Local Benefit in concert with the Local Enterprise Partnership EU Structural Investment Funds Strategy for the South East and the Kent and Medway Local Growth Plan, taking account of and noting the recommendations of this report and that in addition, IAG produces or commissions EU funding guidance for the 2014-20 funding programme.

3.3 Prioritising resources to maintain and develop partnerships

- 3.3.1 In the previous EU funding round, European Regional Development Fund (ERDF) was distributed in the South East through the regional development body the South East England Development Agency (SEEDA) which no longer exists. As outlined in Section 1 of this report, European Regional Development Fund (ERDF) and European Social Fund (ESF) of £179.5 million will now be administered through the South East Local Enterprise Partnership (LEP). This funding has benefited from previous cross-border co-operation on projects and furthermore new arrangements and local partnerships will remain a vital factor if the benefits of EU funding and other growth funds are to be maximised.
- 3.3.2 It is crucial that existing networks and partnerships are maintained and developed to avoid duplication of effort when identifying and bidding for EU funds. It has also been demonstrated that cross-border project work is most successful when undertaken with established and trusted partners and engaging with these partners helps to minimise any financial risk to the council. For example, the Select Committee learned that payment on one project had been delayed for some time because an inexperienced project partner had failed to conform to strict reporting criteria. Selecting the right partners for matching is therefore an important factor in project success and one that can help avoid any withholding of funds.

Work on your partnerships, they are vital!

*Carolyn McKenzie, Sustainability and Climate
Change Manager, oral evidence*

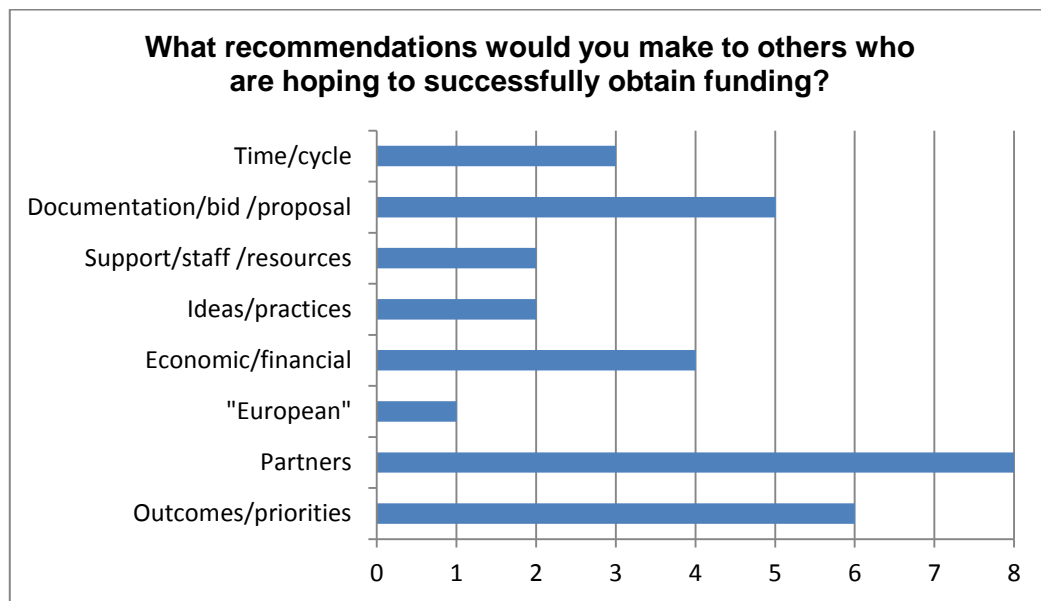
- 3.3.3 The criteria for EU funding are *more* stringent than those for other types of external funding and so it is considered to be a complex and specialist area. Financial management and regulatory issues associated with EU funding are undertaken by the External Funding and Specific Grants section within KCC's Chief Accountancy Team and this additional expertise within KCC is important so that International Affairs Group can focus on policy, partnerships and projects.

***The external funding team is excellent. They are
supportive, professional, knowledgeable and a key
reason for our success with EU funding to date.***

Ian Baugh, Business Development Team Manager, written evidence

- 3.3.4 The importance of selecting the right partners for projects was also borne out by results from a survey sent out for this review to EU project leads in Kent; an analysis of key words/themes is shown in Figure 7 on the next page. There is further discussion of survey results in the next Section.

Figure 7: EU Project Lead survey: Question 4 (key words analysis)



3.3.5 Given the County Council's financial challenge and the need to transform the way it operates, it is important that in making necessary changes we ensure that we do not lose essential elements that have been shown to work well for the County. Optimum deployment of International Affairs Group's limited staff resources and valued expertise is vital in order to reflect and respond effectively to current demands. EU Funding was described to the Select Committee on more than one occasion as 'the only game in town' and Members are of the view that the resources and expertise of International Affairs Group are essential components in unlocking this potential for the benefit of KCC and Kent.

Partnership working is a key priority - as the new programme comes on stream it is important to develop European, for example Nord-pas de Calais and UK partners, for example Essex via the Local Enterprise Partnership
Ron Moys, Head of IAG – written evidence

R3 That International Affairs Group prioritises its partnership development function, increasing its capacity to maintain and develop the relationship with local and European partners; businesses and Members of the European Parliament in the South East to maximise the potential for EU funding.

3.4 Hardelot Centre

- 3.4.1 Hardelot Centre, situated in a forest setting in the Pas-de-Calais region of Northern France, is a KCC-owned venue which can accommodate groups of up to 32 school children and young people (with 4 to 6 adult supervisors) on residential trips. It has on-site catering facilities and can provide a programme of on and off-site activities enabling children to experience the French language and culture. The site is valued by those who use it and feedback is excellent.

Thank you for a wonderful stay in Hardelot last week... there was a reception at the town hall where we met the mayor, town councillors and a representative from the education department. We were very well looked after and we all received gifts. It was a most enjoyable afternoon.
Knockhall Community Primary School, feedback



- 3.4.2 A study carried out by the European Commission in 2012 found that “98% of Europeans consider mastering other foreign languages as useful for the future of their children”²⁴. The decision on whether to include foreign language teaching in school curriculums remains the responsibility of individual EU Member States and the teaching of languages became optional in English secondary schools in 2002. However from this year there will be a renewed educational focus on languages with the introduction of compulsory foreign language lessons for primary school children at age 7. Kent is fortunate to have the Hardelot resource, which is also capable of further development for the benefit of children in Kent and further afield.

²⁴ EC Special Eurobarometer 386: Europeans and their languages pp7

3.4.3 Responsibility for the Hardelot Centre transferred from Education²⁵ to International Affairs Group in April 2011 and the desired outcomes for the Centre included:²⁶

- be a centre for English students to gain a short experience of France
- create opportunity for English and French students to meet and learn about each other's cultures
- forge a general partnership with Nord-pas de Calais that links the teaching of French in the UK and the teaching of English in France
- develop a progressively broader use of the Hardelot Centre for small conferences and seminars - for example a seminar with KCC representation in France (like the Brussels office)
- use the Centre as a place of education

3.4.4 Furthermore, the Centre is in close proximity to Hardelot Castle and there are aims to create a sustainable joint venture, linking it to the Centre.²⁷

3.4.5 The majority of the above aims have been achieved and the Centre has now become financially viable reaching a 'break even' point.²⁸ The Centre has seen an increase in bookings and has school parties confirmed to attend until 2016. The Select Committee learned that the only barriers to greatly increased bookings (and a good level of profitability) are the limits of the accommodation, and marketing of the Centre, which is currently poor with no stand-alone 'web-presence'. A low cost option for the centre is to retain it as it is but increase marketing, to improve bookings and profitability.

3.4.6 However, a relatively small amount of investment would enable the accommodation to be increased and improved, in line with KCC policy to ensure services are delivered effectively from suitable buildings. With improved capacity to host educational and other stays, Hardelot Centre could become profitable within a short time. A detailed options paper provided to Members²⁹ presented doubly advantageous proposals enabling the skills of the IAG Partnership Development Manager to be better utilised. The Select Committee reached agreement that at the very least, there should be increased marketing, and preferably development, of the Centre believing that not to do so, after bringing it to a point where profitability is in sight, would constitute a wasted opportunity.

²⁵ At that time Education was part of the Children, Families and Education (CFE) Directorate

²⁶ KCC (2014) Hardelot Business Plan 2013/14

²⁷ Ibid

²⁸ The total budget for 2013/14 was £50.2k.

²⁹ Two further options papers have been drafted but were not considered by the Select Committee.

- 3.4.7 Exposure to other cultures is a valuable part of children's education and all areas of business, including professional fields of health and social care, require and are enriched by a high degree of cultural competence. KCC has a range of policies relating to cultural competence in its own work, for example policy and guidance issued to staff in relation to childcare.³⁰
- 3.4.8 However, it was highlighted in evidence, including the survey of EU project leads, that cultural and language issues have presented challenges to international project partnerships. A lack of cultural and language skills is also proven to be a barrier to successful international trade partnerships.

**Kent should be looking to get its stall set out,
trade is constantly evolving...**

Paul Wookey, Managing Director, Locate in Kent – oral evidence

- 3.4.9 Provided the accommodation can be increased, Members see potential for diversification of the Centre. As well as being a focus for the development of children's cultural and language skills, the potential exists for it to be a base for engagement on international projects; host trade visits by Kent businesses exploring export opportunities (Section 6 refers), and for tourism.



R4 That the Hardelot Centre is developed as a flagship link between South East England and Northern France: that solutions are sought for an increase in accommodation to enable a diversification of use (with a focus on language skills, cultural awareness and exchange) to foster Anglo-European partnerships and maximise trading opportunities for Kent businesses in Region Nord Pas de Calais and further afield.

³⁰ KCC (2013) Cultural Competence in Kent

3.5 Brussels Office

- 3.5.1 KCC'S Brussels Office currently sits within the East of England Brussels Office, for which Essex County Council are the leaseholders on a one-year rolling basis. The lease expires on 31st January 2016. Rent is payable through Property Group's portfolio.³¹
- 3.5.2 It has been estimated that 70% to 80% of European legislation directly impacts on the work of local authorities. With the expansion of the European Union and consequent increased competition for funding, strong relations with the EU Institutions and other European partners is seen as vital in order to influence policy and access funding for the benefit of Kent. The influencing role and expertise of Brussels Office has been referred to in various pieces of evidence as has the reliance various individuals and organisations place on it. However with declining KCC (UK-based) resources for project support the balance of work in Brussels Office would appear to have tipped slightly away from the important influencing role.
- 3.5.3 The Select Committee have learned that it may be possible to further maximise the benefits of KCC's presence in Brussels and from the long-standing relationship with region Nord-Pas de Calais by relocating to new offices that the latter are acquiring. This would achieve a small saving on rent but be very advantageous in terms of increased opportunities to engage with well-established and trusted key partners. Since Nord-pas de Calais will be the Managing Authority for new Interreg funds for the 2014-20 programme; co-location would enable KCC to seize opportunities for funding quickly, as they arise.
- 3.5.4 A further (and so far untapped) aspect of EU funding that Brussels Office could be instrumental in securing for Kent is that of pan-European 'Thematic' funds. To date, the only barrier to securing such funding has been one of resource (in terms of staff capacity) however, given some redirection and renewed impetus, the potential benefits from 2014-2020 programmes such as Horizon 2020 could be significant and well worth pursuing for the benefit of KCC and Kent.

R5 That the role of KCC's Brussels Office is strengthened and refocused towards policy, influencing and the provision of guidance to KCC and Kent organisations with a particular emphasis on accessing EU Thematic funding and new Interreg funds for the benefit of Kent and its residents.

³¹ Information provided directly by Ron Moys.

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4 EU FUNDED PROJECTS

4.1 Range of projects funded

- 4.1.1 As outlined, over the EU programme period that has just ended, KCC has successfully achieved funding from several EU funding streams. It has been apparent that while EU funding is of immense value to KCC and for example provides 60% of the entire Sustainability and Climate Change budget; it can act as leverage for further funding from a variety of sources and, crucially, also opens doors to development through accessing partners' expertise.

EU funding provides opportunities beyond the monetary value for valuable learning and gaining of experience

- *Sean Carter, Strategic Projects and Partnership Manager - written evidence*

- 4.1.2 A variety of projects have been undertaken by KCC either as Lead organisation or project partner. Members were able to consider information on all these projects and a number are outlined on the following pages to give a flavour of the range of work that has been undertaken:

- **Education:**

The EASIER Project: (Educational Adaptive Script for Interactive Exchange on Remembrance)

- **Environment:**

The ARCH Project (Assessing Regional Habitat Change)
Low Carbon Projects: FUSION and Low Carbon Plus

- **Health:**

The CASA Project (Consortium for Assistive Solutions Adoption)

- **Tourism:**

The CAST Project: (Coastal Action for Sustainable Tourism)

- **Rural development:**

A number of projects funded by the Kent Downs & Marshes LEADER

- 4.1.3 Two further projects on trade development and rail transport are outlined briefly in section 6 of this report.

The EASIER Project: Facing the Great War

(Educational Adaptive Script for Interactive Exchange on Remembrance)

It is now 100 years since the start of the Great War and EASIER will address how to commemorate it sensitively; enhancing the knowledge and understanding of pupils. With EU funding of 40,000 Euros over two years, partners and schools in Kent and West Flanders will address a number of educational deficits in relation to the Great War; i.e. the need for:

- interactivity in current approaches in schools
- cross-curricular development (e.g. history/languages/geography)
- awareness on how both regions experienced the war
- a framework and guidelines for qualitative and sensitive approaches to the topic

“There has been an enormous learning curve already - 10-12 million soldiers passed through Folkestone to the Western Front and many Belgian refugees came into Kent”.

Remembrance Education, with an overriding message of peace for Europe, is defined by the Special Committee for Remembrance Education in Flanders as:

“working on an attitude of active respect in today’s society, based on the collective memory of human suffering that was caused by human activities such as war, intolerance, or exploitation and that must never be forgotten.”

The Project will involve young people actively in thinking and working on the theme and will develop a step-by-step guide or ‘Adaptive Script for Interactive Exchange on Remembrance.’ The Adaptive Script will be aimed at other teachers and pupils, enabling them to set up their own international project on the Great War with visits between the Westhoek and Kent; or Flanders and England more widely.

The Script will be designed to improve exchanges and interactive school partnerships. It will use a cross-curricular approach to aid examination of the Great War with sensitivity, historical criticism and caution; considering a number of perspectives in order to understand the impact on civilians and the military in both regions. A web site, social media and online learning community will be used in the classroom, in preparation for 3-day exchange visits between West Flanders and Kent.

The guide will be developed in close collaboration with teachers and calling on the expertise of the Special Committee for Remembrance education; the heritage sector, museums and the province of West Flanders. Two conferences will be arranged to inform teachers; contributing also to teachers’ continuous professional development.

The ARCH Project

(Assessing Regional Habitat Change)

**European Regional Development Fund (ERDF): Interreg IVA 2 Seas Interreg I
Cross Border Co-operation Programme - €659,061 for Kent**



This 2.4 million euros environment project of great value to Kent was carried out between 2009 and 2013 with 50% ERDF funding. The project was a partnership between KCC and Nord-pas de Calais Regional Council delivered with the help of the Conservatoire Botanique de Bailleul, Medway Council, the District and Borough Councils of Canterbury, Maidstone, Swale, Tonbridge & Malling and Tunbridge Wells; the Environment Agency; Kent Wildlife Trust and Kent & Medway Biological Record Centre (KMBRC).

The partnership between Kent and the Nord-Pas de Calais region was appropriate since they share a common geology, climate and environment including internationally valued woodlands, chalk grasslands, and wetlands. A particular theme in Kent was to analyse the land cover change since 1961. The project, with KCC as lead partner, supported theme three of the Kent Environment Strategy:

“Valuing our Natural, Historic and Living Environment”.

Broadly, the aims were to:

- ensure that base biological data on the extent and distribution of key natural habitats met minimum standards across Kent and Nord-pas de Calais by carrying out a Landcover and Habitat Assessment in the project region.
- provide accurate biodiversity information and tools that positively influenced spatial planning, improved the general understanding and commitment towards biodiversity conservation and contributed to increasing habitat connectivity across the regions.
- explore the feasibility of using innovative tools and remote sensing techniques that would allow the development of a long-term monitoring system across the regions.

KCC's ARCH project team compiled a comprehensive set of data on Kent's landscape and habitats through extensive survey work, data validation and electronic mapping; the latter of which secured a national Avenza award from the British Cartographical Society. Key outputs for Kent (final reports at: <http://www.archnature.eu/>) have been:

- The Kent Habitat Survey
- The Kent Land Cover Change Analysis (screening tool enabling planning authorities to rapidly assess planning applications for potential impact on biodiversity)
- Change Analysis of UK Biodiversity Action Plan (BAP) Priority Habitat

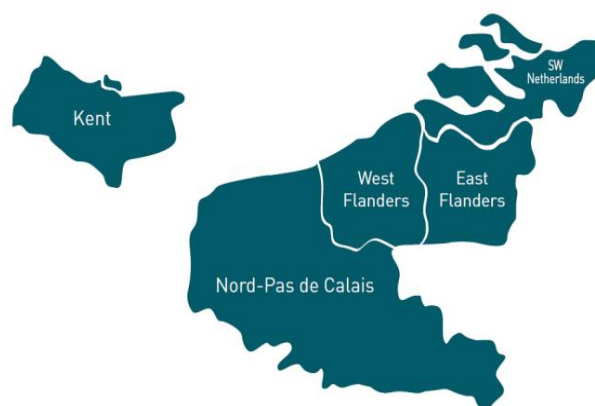
LOW CARBON PROJECTS:

FUSION

European Regional Development Fund (ERDF) Interreg IVA 2 Seas Programme

Project value €5,012,333 (€1,048,644 for KCC)

Having met or exceeded all targets for the EU-funded Low Carbon Futures Project, support for businesses in Kent continues through FUSION. The FUSION Project aims to increase economic growth in the 2 Seas region of Kent, Nord-pas de Calais, East and West Flanders and South West Netherlands, while reducing the environmental impact. It does so by promoting an eco-innovative mind-set in small to medium sized enterprises (SMEs) from start-up to high growth.



As lead partner for the project, working with BSK-CIC and the University of Kent, KCC is carrying out research into opportunities in the low carbon market and delivering 1:1 business support. The authority has a particular interest in supporting the development of new sustainable business models in Kent and aims to expand the low carbon, environmental technologies sector through developing effective strategies, policies and targeted business support packages; bringing social, economic and environmental benefits to the County.

LOW CARBON PLUS

EU funding of €1.2 million

Grants for businesses of up to €24,000 (£20,000)

Low Carbon Plus (LC+) is an integrated programme of financial assistance and business support. It aims to increase demand for low carbon technology and increase business efficiency and growth by providing assistance to SMEs in the low carbon and environmental goods and services sector across Kent and Medway.

KCC has secured a €2.4 million grant pot (50% EU-funded) to administer before June 2015; offering grants of £5,000 to £20,000 to SMEs in the sector.

The requirement from businesses is that they have projects that demonstrate business growth and/or job creation through the development, commercialization or production of low carbon or environmental goods, services or technologies. Businesses can also improve resource efficiency through 'Steps to Environmental Management' (STEM).

The CASA Project

(Consortium for Assistive Solutions Adoption)

EU Interreg IVC funding of €3.2 million (€239,575 for KCC)

The 3 year CASA Telehealth project meets KCC's objective to 'Reduce demand on Health and Social Care Services'. It is led by the Flanders Ministry of Health with partners across Europe including in Denmark, Italy, Poland, Romania, Spain and Sweden. The UK partners are Kent County Council, The South East Health Technologies Alliance (SEHTA) and The NHS Scottish Centre for Telehealth & Telecare.

The EU funded CASA project has been important to KCC in its work to further the integration of Health and Social Care in Kent.

“KCC’s work on this project was a key component in KCC achieving Integration Pioneer Status; one of only 14 local authorities (of 105 bidders) to have done so.”

Anne Tidmarsh, KCC Director, Older People and Physical Disability



Through CASA project partners aim to develop a new generation of innovative personalised care solutions using technology, for older people at home and in their daily lives.

KCC's International Affairs Group and Families and Social Care Directorate will be directly involved in project delivery, underpinned by expertise drawn from the authority and from Health Services.

In particular, KCC co-ordinates the central work stream on Knowledge Transfer; identified as a key challenge by project partners. To address this there have been international study visits (as hosted by Kent in 2012), virtual working groups and staff secondments and exchanges to help embed new practices.

Key outcomes will be the joint production of a Strategy Paper detailing how the identified assisted living solutions could be deployed on a large scale and project activities to ensure key industry, national and European stakeholders are aware of the findings in order to bring sustainable future benefits to the partner areas.

The CAST Project

(Coastal Actions for Sustainable Tourism)

ERDF Interreg IVA 2 Seas funding of €1,404,804 (€734,290 for Kent)

***The quality of life derived from the coastline and countryside,
together with our close proximity to London and mainland Europe,
provides real economic benefits to the South East.***
(Source: SE LEP Strategic Investment Funds Strategy)

With the dual aims of addressing the decline of coastal tourism assets in Kent and meeting the KCC objective of 'Driving Economic Prosperity', lead partners KCC and Visit Kent, working with Westtoer (West Flanders) and Comité Départemental de Tourisme du Pas de Calais as well as District and Borough Councils of Dover, Shepway and Thanet, obtained EU funding of 1.4 million Euros (total budget €2.8m) to pursue common objectives in the partner areas including:

- Inspiring an innovative program of change to influence the future development of coastal assets.
- changing perceptions of the coast by strengthening the image (communicating with target groups in different ways using new technologies).
- involving local people as champions for their coastal community

Interconnected initiatives were implemented with the aim of increasing tourism activity in the coastal areas of Kent, Pas de Calais and West Flanders. Project activities included:

- analysis of coastal tourism facilities
- development of a coastal tourism management strategy
- production of coastal maps,
- targeted marketing campaign

Outcomes for Kent have so far included the development of volunteer networks and the organisation of 'active coast' weekends.

Kent Downs and Marshes LEADER Programme



Cheesemakers of Canterbury



Development measure: support, creation and development of micro-businesses

Producers of a range of cheeses including the successful Ashmore hard cheese, Cheesemakers of Canterbury have won British and International awards. LEADER Grant of £18,816 (50% of total project costs) enabled them to expand their production to a second location where they now produce a number of soft cheeses including one made from local goats' milk. The additional capacity enabled them to increase production of Ashmore Cheese to meet growing demand (which outstripped supply); adding to the space available to mature the cheese.



The Farriers Arms



Development measure: support, creation and development of micro-businesses



The Grade II listed Farriers Arms in the village of Mersham, near Ashford was founded in 1606. Following its closure in 2009, 80 village residents bought it and reopened it as a pub-restaurant after 5 months of extensive renovation. LEADER funding was sought to help further innovative plans to create a micro-brewery onsite and the project secured a grant of £7,842 (42% of the total costs) to fund building and ground works, brewing equipment and brewery training.



Norman Davidson



Development Measure: adding value to agricultural and forestry products

Sole trader Norman Davidson processes timber to produce woodland products including logs for the wood fuel sector. The business had reached capacity and was unable to meet growing demands for household and commercial wood fuel for fires and log burners. Mr Davidson applied for a LEADER grant to purchase new equipment which would increase the efficiency and capacity of his operation; reducing wastage. The logging expansion project secured a grant of £25,167 (40% of total costs) for firewood processing equipment.

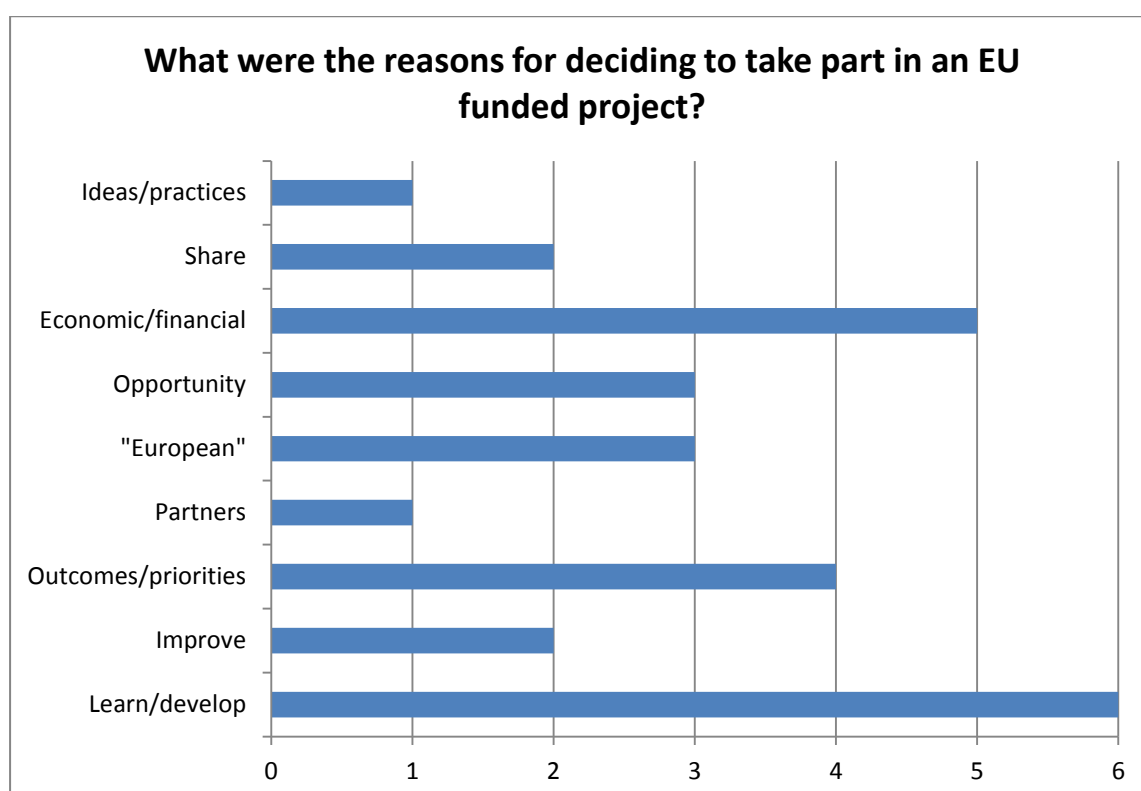


4.2 Survey of EU Project Leads

4.2.1 The questions sent to EU Project Leads are provided at Appendix 4.

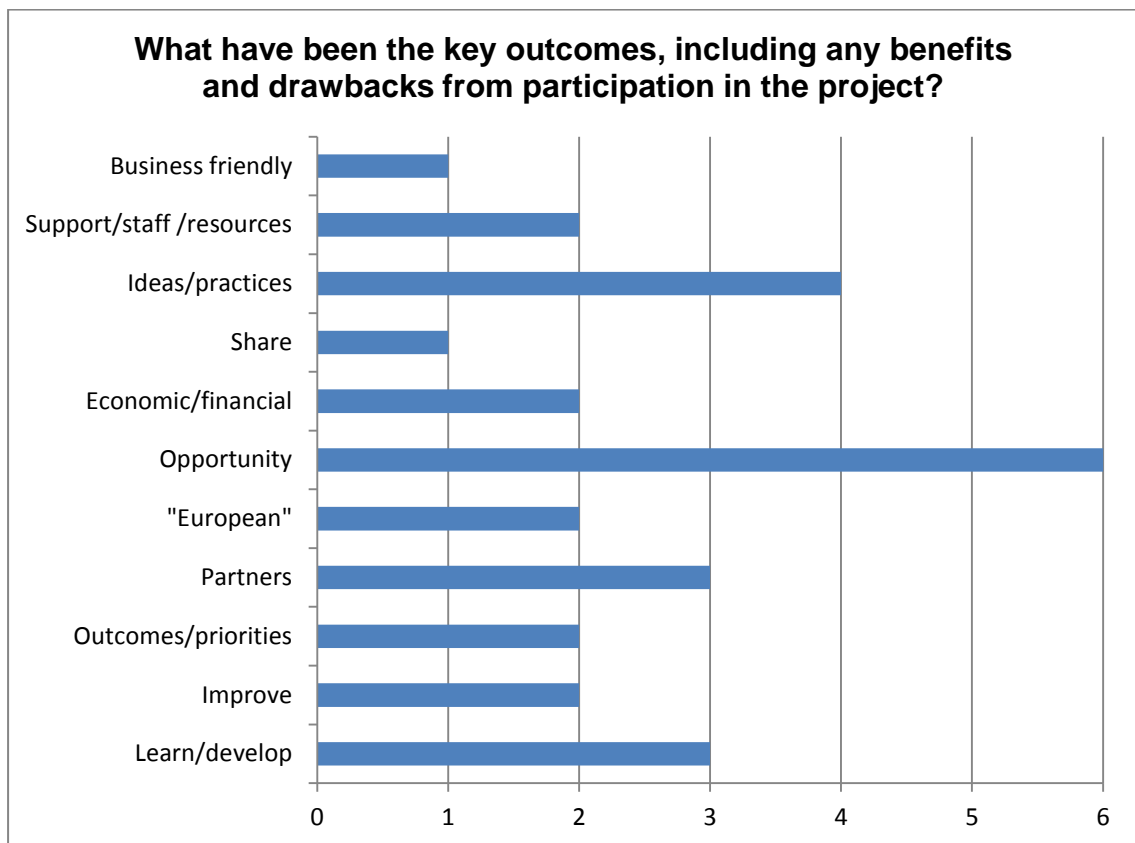
4.2.2 Respondents had a very short time over the Christmas period to return their responses; however the 10 questionnaire responses received represented a body of expertise gained over a large number of international projects. Answers were analysed for key themes and it is evident that, for those project leads who responded, while economic considerations played a large part in their deciding to take part in an EU funded project, the opportunity to learn and develop was also important, as shown in Figure 8 below. This is borne out by other written and oral evidence to the review.

Figure 8: Key themes from responses to Survey Question 1



4.2.3 The responses to Question 1 are consistent with those provided to Question 8 on project outcomes, where the top 3 themes relate to increased opportunities to learn and develop and to share ideas and practices, as shown in Figure 9 on the next page. When considering outcomes, achieving the funding for the project was rated as significant but less so than the opportunity to work with and learn from partners, developing mutually beneficial solutions; demonstrating the 'outward-facing' nature of the organisation and its project partners.

Figure 9: Key themes from responses to Survey Question 8

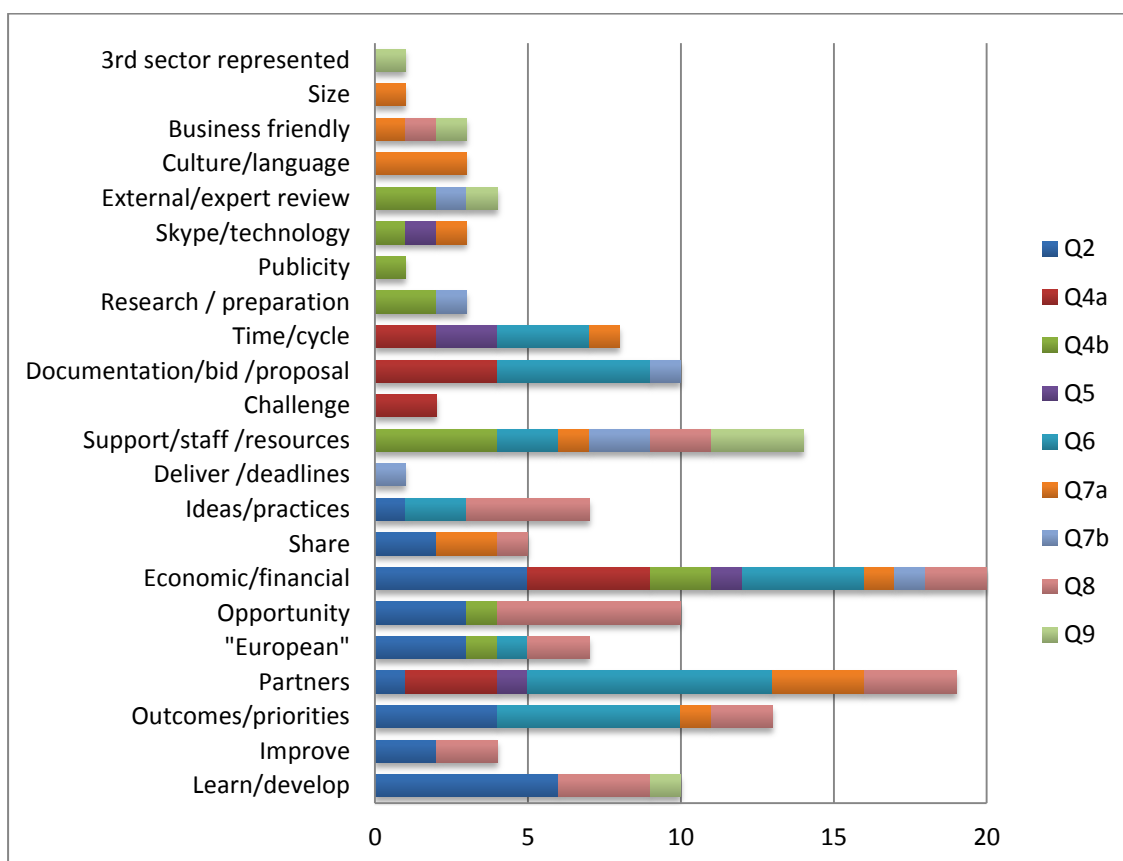


4.2.4 Evidence received from project partners in West Flanders reflects similar reasons for project participation to those of Kent partners. These were:

- Neighbourhood policy
- Stimulating cross border co-operation
- Finding strategic partners
- Using the available EU funds
- Working on common policy plans
- Developing good contacts and partnerships
- Creating stepping stone projects
- Creating transnational added value for local actions and investments
- Finding inspiration to tackle local challenges
- Sharing knowledge and expertise

4.2.5 Overall, answers provided via survey, were consistent with those opinions provided directly to the review. Figure 10 on the next page shows the general themes present in all the survey responses.

Figure 10: General themes/key words in survey responses (all questions)



4.2.6 In relation to addressing challenges faced in obtaining EU funding, some responders failed to note any; however, those mentioned most in both survey and oral/written evidence were in relation to project support staff/resources. Finding match funding and identifying the right partners were also significant challenges. With regard to working with international partners, the most significant challenges highlighted were associated with language and culture.

4.3 Project Development and Implementation Support

4.3.1 Currently International Affairs Group (IAG) relies on a small number of individuals in the Directorates to bring forward suitable projects; the numbers involved have declined and this has led to an imbalance of 'interest' across the authority and to missed opportunities for EU funding (even where potential funding streams have been identified by IAG).

4.3.2 The complexity of the EU funding landscape makes it essential to have professional support throughout project development and implementation; bid writing in particular is a crucial element as is a detailed understanding of programme rules. One expert witness said that (with respect to Interreg projects) ideally there should be engagement with the EU Joint Technical Secretariat throughout the project lifecycle to ensure the project remains 'on track' and fulfils the intended criteria.

- 4.3.3 Commissioning services in relation to EU projects and financial/regulatory aspects is likely to be costly since it is considered to be a specialist area.³²
- 4.3.4 The importance of KCC maintaining a strategic overview of Kent projects has already been highlighted though it should be noted that, as a small team, IAG necessarily focuses on those where KCC leads or has an involvement. KCC currently does not have the capacity to 'monitor, identify and raise awareness of EU funding opportunities due to diminishing staff resources'.³³
- 4.3.5 Members therefore believe that in order to capitalise on the opportunities available from future EU funding, it will be essential for the Council to maintain EU project development and implementation support roles, though these do not necessarily need to rest within IAG. The Select Committee would like to see lead roles in each of the new 'Corporate', 'People' and 'Place' directorates³⁴. Though these roles could be considered 'dedicated' in that expertise in EU funded projects would be an essential component, general expertise in project management would provide the kind of flexibility required as KCC transforms.

R6 That KCC ensures it has sufficient staff resources to optimise the development and implementation of EU funded projects (with, as a minimum, a leading role in each of the three new directorates).

4.4 Facilitating project communications

- 4.4.1 A small number of project lead survey responses highlighted one specific barrier to effective project communications which is easily remedied. Though the need for face to face communication is acknowledged as an important aspect of international project work (particularly during the pre-project and development stages), European project partners frequently use conference call applications not currently supported by KCC. Officers have been pragmatic and devised their own ways of ensuring KCC can participate, however Members believe that it would be a simple 'fix' if all officers involved in international work could have access to readily available online communication tools such as Skype.

R7 That KCC ensures International Affairs Group and EU project officers are enabled to take advantage of free/low cost communication options (e.g. Skype) in order to maximise cost effective communication/engagement opportunities with EU partner organisations.

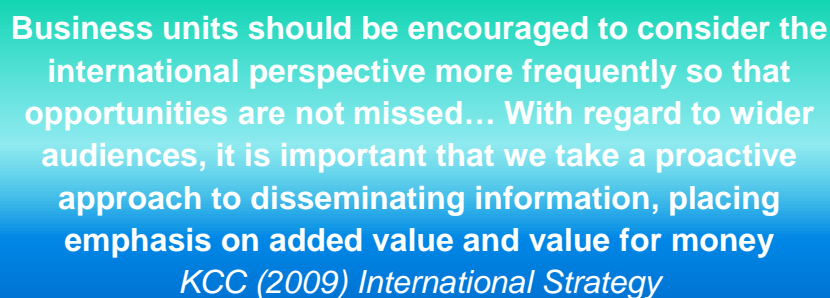
³² Mellisa Jaynes, Senior Accountant, External Funding & Specific Grants – written evidence

³³ Steve Samson, Trade Development Manager - oral evidence

³⁴ International Affairs will fall under the 'Place' banner in the next County Council structure

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5 RAISING AWARENESS OF KCC'S INTERNATIONAL WORK



Business units should be encouraged to consider the international perspective more frequently so that opportunities are not missed... With regard to wider audiences, it is important that we take a proactive approach to disseminating information, placing emphasis on added value and value for money
KCC (2009) International Strategy

5.1 Awareness-raising within KCC to maximise funding opportunities

- 5.1.1 In recent years (as demonstrated in sections 4 and 6) KCC has been active in project areas such as tourism, transport and trade. The Enterprise and Environment directorate has been particularly successful with projects including landscape management, habitat surveys, supporting the low carbon economy and resource efficiency for companies. However, far fewer projects have been identified and pursued by the Families and Social Care (FSC) and Education, Learning and Skills (ELS) directorates.³⁵
- 5.1.2 Despite the fact that KCC's international work has a good reputation; is supported by a number of KCC Members and Directors and recognised by Local Authorities at home and in Europe (for example KCC represents all South East local authorities on the Member State Programme Preparation Group (PPG) that has been preparing the new Interreg programme); for various reasons including political changes and restructuring, newer Members and new members of staff may still not be aware of KCC's international work and its potential for bringing in considerable funding.
- 5.1.3 In order to gauge the current level of awareness about potential opportunities from EU funding, a survey was sent to 102 KCC senior managers and directors as part of this review.³⁶ While Members expected there would be some variation across the organisation, it was surprising to find that generally, awareness of EU funding was very low.
- 5.1.4 From the 58 survey responses that were received, the majority (72%) had little or no awareness of either KCC's International work or of opportunities for EU funding as shown in figures 11 and 12 below:

³⁵ Steve Samson, Trade Development Manager - oral evidence

³⁶ A short deadline was set and 58 responses were received within one week

Figure 11: Survey of directors and senior managers – Question 1

Q1. What statement best describes your position/awareness regarding KCC's international work?

No/low level of awareness	19	32.76%
Directorate is currently liaising with IAG on international work	17	29.31%
Basic knowledge e.g. recent experience of presentation by KCC International Affairs Group (IAG)	15	25.86%
Directorate has utilised the expertise of IAG in the past but not currently	6	10.34%
n/a	1	1.72%
	58	100.00%

Figure 12: Survey of directors and senior managers – Question 2

Q2. What statement best describes your position/awareness regarding forthcoming opportunities for EU Funding 2014-20?

I am aware that a new European Funding round has begun but have no detailed knowledge of opportunities	22	37.93%
No/low level of awareness	14	24.14%
I am aware that a new European Funding round has begun and work is already under way to access one or more funding streams to support core priorities	10	17.24%
My unit has firm plans to access one or more funding streams to support core priorities	9	15.52%
n/a	3	5.17%
	58	100.00%

- 5.1.5 The willingness of senior managers to learn more about/consider the option of EU funding as a way of supporting core priorities was demonstrated by responses to question 3 which showed that just under 86% of those who currently have little or no awareness of it would be interested to learn more, as shown in figure 13 on the next page.

Figure 13: Survey of directors and senior managers – Question 3³⁷

Q3. If you answered ‘No/low level of awareness’ or ‘I am aware that a new European Funding round has begun but have no detailed knowledge of opportunities’ to question 2, which statement best describes your position with regard to accessing EU funding opportunities?

I would be interested in learning more about the opportunities for EU funding to support core priorities	36	85.71%
I would not be interested in learning more about the opportunities for EU funding to support core priorities	6	14.29%
	42	100.00%

- 5.1.6 The final survey question exploring why senior managers may not be interested in learning more about EU funding received 6 responses. Explanations offered by 4 people indicated they either felt it was not appropriate for or relevant to their area of business or perceived it to be ‘additional’ or ‘nice to have’ funding. While the former statement may be true – other evidence to this review indicates that with expert knowledge and understanding of funding streams, they can be used creatively to contribute to a range of objectives. For example, tourism is not a specific theme under the European Commission’s more limited list of thematic priorities to be financed under the new programme, but there is a particular focus on the theme of innovation. Therefore, with an appropriately innovative approach to projects, this potentially facilitates the inclusion of a wide range of business priorities, including tourism.³⁸

The framing of projects is key to future funding
Ron Moys, Head of International Affairs Group – oral evidence

- 5.1.7 The Select Committee’s activities and work recently commenced by International Affairs Group to promote its work via Directorate Management Teams will have gone some way towards addressing the lack of awareness of EU funding opportunities within KCC. The start of the funding round 2014-20 provides an initial ‘fallow period’ when more awareness-raising could take place.

³⁷ NB The number of people who responded to this question was greater than the number of those of answered a or b to the previous question, i.e. the condition for answering Q3.

³⁸ Ron Moys, Head of International Affairs Group – direct communication

5.2 Publicising successful project outcomes

- 5.2.1 As noted above, awareness of EU funding within KCC is low and there is some element of misconception about it which may be reflected among the wider community. Members of the Select Committee believe that it is important there is understanding of the role EU funding plays in the Growth plans of Kent, Medway and the wider South East Region, and the opportunities it provides.
- 5.2.2. The review has learned that funding for publicity is required to be built in to projects at the start as part of the communication strategy and therefore Members believe that there should be additional focus on this part of the project preparation process, in order to raise both the profile and understanding of the funding; the County Council's work to secure it and to celebrate and disseminate information about successful project outcomes.
- 5.2.3 Evidence to this review would indicate that, while the aim has been to adopt a proactive approach, as outlined in KCC's International Strategy, this has been somewhat eclipsed by essential transformational activity within the Council and could benefit from renewed focus through a revised and updated Strategy (R2); a refocusing of staff resources (R3, R5, R6) and renewed efforts to ensure KCC and Kent, including Kent businesses, gain maximum benefits from the EU funding available.

R8 That International Affairs Group and KCC as a whole:

- ***seek to raise further the profile of Kent's international work to date and of the future opportunities from EU funding***
- ***with local partners, seek creative ways to publicise successful EU funded projects in Kent/within the South East Local Enterprise Partnership area, including though the building in of publicity measures and costs into future funding bids as part of the projects' communication strategies.***

6 INTERNATIONAL TRADE AND CONNECTIVITY

Companies that export are 11% more likely to stay in business than those that do not and on average increase their income by £100k in the first 18 months

Rob Lewtas, Strategic Partner Manager, UKTI – oral evidence

6.1 Exporting for growth

- 6.1.1 Despite the obvious advantage Kent has in terms of proximity to London, Europe and wider markets and the proven advantages to businesses from exporting, Members were told of the challenge that exists to persuade Kent businesses including small and medium-sized enterprises (SMEs) of the benefits of doing so. Currently, only 4,500 of 57,000 businesses regularly export; less than 8% compared with a national average of 10% and it is estimated that closing the 2% gap could generate £114 million into the Kent economy based on the average increase in income of £100,000 in the first 18 months.³⁹

Closing the export gap in Kent by 2% could generate £114 million into the Kent economy

Rob Lewtas, Strategic Partner Manager, UKTI – oral evidence

- 6.1.2 New arrangements for European growth funds to be administered by Local Enterprise Partnerships at sub-regional level and the availability of the services of UK Trade and Investment (UKTI) as an opt-in partner are intended to reduce duplication on both export support and inward investment. Indeed, a study for the Local Government Association identified that:

“... a key role for local authorities is to ensure that export services across the sub-region offer a seamless service that is linked more widely to national support services.”⁴⁰

³⁹ Rob Lewtas, Strategic Partner Manager, South East International Trade Team, UKTI – oral evidence

⁴⁰ SQW (2012) pp iii

6.2 Kent International Business and 2 Seas Trade

6.2.1 Kent International Business (KIB) was set up by International Affairs Group's Trade Development Manager in response to a study carried out in 2010 by KCC and BSK-CIC⁴¹ which revealed that, in addition to Kent's lower than average export record, *"No one organisation is charged with the task of increasing internationalisation in Kent."*⁴² Kent International Business brings together a range of organisations (Figure 14 below) under the KIB partnership banner in order to simplify the business support landscape in Kent and provide a single point of access at <http://www.kentinternationalbusiness.co.uk/> so that businesses can easily find a range of business support. KIB also benefits from support from Kent's District and Borough Councils. The partnership was 'Highly Commended' in the 2013 Enterprising Britain Awards.

Figure 14: Organisations in the KIB partnership



6.2.2 The aims and objectives of KIB are to:

- raise awareness of the benefits of international trade (for the local economy)
- boost Kent's export levels and promote business growth
- ensure that trade support in Kent is more coherent, joined-up and visible
- provide relevant support to Kent companies for international trade⁴³

⁴¹ Kent International Business Study (2010)

⁴² Ibid pp4

⁴³ Steve Samson, Trade Development Manager – oral evidence

- 6.2.3 KIB has (as the recent accolade suggests) had some early success in meeting these aims through a range of events and visits, reaching around 1000 Kent businesses.
- 6.2.4 KCC's core priorities in terms of trade development have been supported by and have developed closely alongside three streams of EU funding into Kent: the 2 Seas Trade Project, outlined on the following page, the Enterprise Europe Network and the Chain 2 Project led by the Kent Science Park. Having started out with no dedicated budget, KIB now has £140,000 regeneration funding over 2 years (and may in future obtain EU funding through the South East Local Enterprise Partnership).
- 6.2.5 Examples of the trade development and engagement activities organised for Kent businesses by KIB are shown below; these took place between September and November 2013. The numbers are a count of the businesses who took part⁴⁴. Further details can be found in Appendix 9.

2 Seas Trade: Trip to HORECA Trade Fair, Ghent, Belgium - 15

KIB/UKTI: Exporting for Growth Event, Maidstone - 150

2 Seas Trade: Visit to AquaTech Trade Fair, Amsterdam - 8

2 Seas Trade/Kent Export Club: "How Companies can (and do) sell services to France" Event, Ashford - 12

UKTI/2 Seas Trade/Manston/KLM: Doing Business in the Netherlands, Manston - 33

2 Seas Trade: Innovation for Independent Living Conference (for businesses in Kent and Netherlands), Discovery Park - 44

2 Seas Trade: Regional Produce Show in Ghent - 4

2 Seas Trade: French-UK Networking Event (multi-sector) - 27

⁴⁴ Except in the case of the Exporting for Growth event which shows the number of individuals

2Seas Trade Project

EU Interreg funding of €760,468 (€417,971 for Kent)



The three year 2 Seas Trade project aims to help businesses trade in a nearby European region. Meeting KCC objectives of 'Driving Economic Prosperity' and 'Building a new relationship with business', with its project partners:

- Kent Invicta Chamber of Commerce
- Business Support Kent CIC
- Locate in Kent
- East Flanders Chamber of Commerce
- West Flanders Chamber of Commerce
- The West Flanders Development Agency (POM)
- The Chamber of Commerce for the SW of the Netherlands
- Canterbury City Council



KCC was able to deliver free support services including workshops, 1-2-1 advice, sector focused market visits and trade fair participation to Kent companies and those in SW Netherlands, East and West Flanders (Belgium) and Nord-Pas de Calais (France). A range of comments from event participants are highlighted below:

“It has helped me make decisions on where to go for exports.”

“Workshops have encouraged me to start looking at Belgium which led to a UKTI OMIS study and a visit which should soon result in distributor agreement”

“Gained additional market intelligence, met potential new clients, met potential new suppliers, met exciting partners and met potential new distributor in Turkey”.

“Good leads from European suppliers and people on trip.”

“Better understanding of the opportunity in each market/country & 3 good leads/contacts to sell direct or partner

- 6.2.6 KIB have worked closely with UK Trade and Investment (UKTI) on activities to build the capacity of Kent businesses to export and there is evidence of progress as UKTI are extending and increasing their activity in Kent in response to a growing demand for assistance following events in the County.
- 6.2.7 Members were told of outline plans for a future EU funded trade support programme which would *proactively seek out and engage* with particular Kent businesses and then through a range of bespoke activities, develop and grow their capacity for international trade, ultimately helping them to build trading links and business contacts in overseas markets.⁴⁵
- 6.2.8 Opting in to UKTI trade development services will provide match funds for EU funded work and this will enable KIB to offer market visits and trade fairs underpinned by UKTI's expertise in market intelligence gathering and sector specific support. To date there have been notable successes in food-related sectors but there is much scope for development in a range of sectors.

R9 That KCC seeks, through EU project work, partnerships and trade development activities:

- ***to maximise export opportunities for Kent businesses, aiming to close the 2% gap between businesses that export in Kent and Nationally***
- ***to promote Kent as an attractive location for businesses in Europe and further afield***

6.3 International rail connectivity

The South East LEP area is the UK's most important land and sea gateway to the rest of the world. It is situated in a pivotal position between London, mainland Europe and international markets and has transport infrastructure of national importance
South East LEP Structural Investment Funds Strategy

⁴⁵ Ibid

6.3.1 The proximity to mainland Europe and interconnections with the London economy and jobs market are considered to be major strengths of the South East Local Enterprise Partnership area in terms of future plans for growth. The map below (Figure 15) shows, in particular, the important rail links between Ashford and East Kent.

Figure 15: Map showing Kent's international rail connectivity



6.3.2 International Affairs Group (IAG) has a long history with regard to ensuring Kent maintains its international rail connectivity having successfully developed and managed an extensive campaign to reinstate Eurostar services to and from Ashford to Brussels after Eurostar announced in 2006 that it would cut services at Ashford and Calais. It was clear to KCC and its French partners in Nord-Pas de Calais that this would have detrimental consequences for accessibility, economic development and tourism in the areas concerned. Services were resumed from Ashford and Calais in February and December 2009 respectively.

6.3.4 International Affairs Group again sought to influence the agenda for cross-border rail transport following the introduction of competition on the use of High Speed lines and the Channel Tunnel, including at a high-level political conference to publicise findings of Transmanche Metro 2011/12 and this work theme continues with regard to service improvements at Ebbsfleet and Ashford International Stations and in particular signalling at the Ashford Spurs.

- 6.3.5 The Select Committee learned that European funding had been obtained specifically for a project at Ashford International Station designed to ensure that European high speed trains can continue to stop there. Vital feasibility work could not have gone ahead without this EU funding and at the time of writing, KCC and its project partners await a decision from the EU on further funding. The Ashford Spurs Project is outlined on the following page.
- 6.3.6 In exploring opportunities for future EU funding, the Select Committee has learned that there is potential for the EU Connecting Europe Facility to be sought in relation to the funding of £1.6 million required for Phase 3 delivery of the signalling system.
- 6.3.7 The safeguarding of international rail services at Ashford is one of the solutions identified for growth without gridlock in Kent and Medway.⁴⁶ It is the view of the Select Committee that it is a key solution.

R10 That KCC continues to make the case for improved international rail connectivity at both Ashford and Ebbsfleet, supported by the business case for Transmanche Metro which is due to be published later this year.

The Select Committee would like to express strong support for the Ashford Spurs project for which KCC is the lead authority, and which is at an advanced stage of development with most of the funding committed for the planning and design stage, since Ashford must be assured of future international rail connectivity in order to benefit the people of Kent and Kent businesses.

⁴⁶ KCC (2014) Unlocking the Potential: Going for Growth

The Ashford Spurs Project

Regions of Connected Knowledge (RoCK)

EU Funding Stream: Interreg IVB North West Europe

Ashford International Station was opened in 1996, two years after the start of Eurostar rail services between London and Paris/ Brussels. To enable high speed trains to use the station, spurs were constructed linking Ashford International Station to High Speed 1, which passes just to the north of the station. The spurs are owned and managed by Network Rail though no money has been provided by the Department for Transport (DfT) for the improvements now required.

The Ashford Spurs and the trains currently used by Eurostar (Class 373) use the standard domestic UK signalling/train protection systems: AWS and TPWS. However, these systems, which are not fitted on High Speed 1 as they are not appropriate for managing trains at very high speeds and are also not compatible with newer international passenger trains such as those on order for Eurostar and Deutsche Bahn. When the first of these new trains enter service in December 2016, they will not be able to call at Ashford. To address this problem, having obtained initial funding from RoCK, KCC approached partners Ashford Borough Council, Eurostar plc, HS1 Ltd and Network Rail to discuss possible solutions. Advanced Rail Technologies Ltd was commissioned to provide technical analysis and as a result it was decided to pursue the European Train Control System (ETCS). The identified solution will:

- provide future-proof protection, not limited to specific classes of train
- be technically acceptable and cost effective
- be deliverable before new trains come into full service.

Work undertaken on the Ashford Spurs could establish best practice for the interface between line side signals and ETCS and thus benefit the UK's deployment plan for the European Rail Traffic Management System (ERTMS) since the application of ETCS Level 1 to UK-style colour-light signalling has not so far been demonstrated in the UK.

Funding of £520k required for Phase 2 development, safety and regulatory work to be carried out by Network Rail will comprise contributions from KCC (£40k), Ashford Borough Council (£20k), HS1 (£20k), Eurostar (£20k) and Network Rail (£160K) (to be confirmed); a bid for £260k match-funding has been submitted to the EU.

The EU's decision on this Phase 2 funding is due in April 2014.

Appendix 1: Glossary and Common Acronyms

ACRK	Action with Communities in Rural Kent
ARCH	EU Project acronym: Assessing Regional Habitat Change
BAP	Biodiversity Action Plan
BIS	Department for Business, Innovation and Skills
CASA	EU Project acronym: Consortium for Assistive Solutions Adoption
CAST	EU Project acronym: Coastal Action for Sustainable Tourism
DCLG	Department for Communities and Local Government
DEFRA	Department for Environment, Food and Rural Affairs
EAFRD	European Agricultural Fund for Rural Development
EASIER	EU Project acronym: Educational Adaptive Script for Interactive Exchange on Remembrance
EFF	European Fisheries Fund (2007-2013)
EIF	European Integration Fund
EMFF	European Maritime and Fisheries Fund (new Fund from 2014 replacing the EFF)
ERDF	European Regional Development Fund
ESF	European Social fund
EU	European Union
EUSIF	European Union Structural Investment Funds
IAG	International Affairs Group
Interreg	European Union initiative to stimulate cooperation between EU regions (Financed by the ERDF)
KCC	Kent County Council
KD&M	Kent Downs and Marshes
LAG	Local Action Group
LDS	Local Development Strategy
LEADER	Liaison Entre Actions de Développement de l'Économie Rurale, meaning 'Links between the rural economy and development actions'

LEP	Local Enterprise Partnership
NHS	National Health Service
PPG	Programme Preparation Group (of the European Union)
RDA	Regional Development Agency (now defunct)
RDPE	Rural Development Programme for England (funded by DEFRA and the EU)
RoCK	Regions of Connected Knowledge
SEEDA	South East England Development Agency (now defunct)
SE ERDF	South East European Regional Development Fund
SE ESF	South East European Social fund
SEHTA	South East Health Technologies Alliance
SELEP	South East Local Enterprise Partnership
SEP	Strategic Economic Plan
SIF	Structural Investment Funds
SME	Small and medium sized enterprises
UKTI	United Kingdom Trade and Investment
VCSE	Voluntary, community and social enterprise sector

Appendix 2: Hearings

7th January 2014 Interviews

9:00	a.m.	Ron Moys, Head of International Affairs Group
10.00	a.m.	Ruth Wood, Head of Research and Strategy Visit Kent
11.00	a.m.	Dafydd Pugh, Head of KCC Brussels Office and Stephen Gasche, Principal Transport Planner – Rail (Enterprise and Environment)
12.00	noon	Erica Russell, Head of Sustainability and Insight, BSK-CIC

8th January 2014 Interviews

9:00	a.m.	Carolyn McKenzie, Sustainability and Climate Change Manager
10.00	a.m.	Huw Jarvis, Kent Downs and Marshes Leader Programme Manager and Keith Harrison, Chief Executive, ACRK
11.00	a.m.	Paul Wookey, Chief Executive, Locate in Kent
12.00	noon	Rob Lewtas, Strategic Partner Manager, South East International Trade Team, UK Trade and Investment (UKTI)

14th January 2014 Interviews

9:00 a.m.	David Godfrey, Interim Director, South East Local Enterprise Partnership and Ross Gill, Economic Policy and Strategy Manager
10.00 a.m.	Steve Samson, Trade Development Manager
11.00 a.m.	Myriam Caron, European Partnership Manager
12.00 noon	Tudor Price, Business Development Manager, Kent Invicta Chamber of Commerce

Appendix 3: List of those contributing written or supplementary evidence

Please note some KCC job titles may have changed. This list also includes people who provided presentation material, where used in oral evidence sessions, and people who responded to questions sent out to EU Project Leads. The 58 responders to the Director/Senior Manager survey are not listed.

Baugh, Ian - Business Development Team Manager
Bearne, Amanda – Director of Marketing and Research, Locate in Kent
Brook, Peter - Partnership and Change Manager (Customer and Communities)
Barton, Theresa - Head of Regeneration Projects (Enterprise and Environment)
Carter, Sean - Strategic Projects and Partnership Manager (Education Learning and Skills)
Chapman-Hatchett, Alice – Director, The Health and Europe Centre
Gasche, Stephen - Principal Transport Planner – Rail (Enterprise and Environment)
Gill, Ross - Economic Strategy and Policy Manager (Business Strategy and Support)
Harrison, Keith – Chief Executive, Action with Communities in Rural Kent (ACRK)
Hoffman, Rebecca - Customer Information Manager (Customer and Communities)
Jarvis, Huw – Kent Downs & Marshes Leader Programme Manager (Enterprise and Environment)
Jeynes, Melissa - Senior Accountant, External Funding and Specific Grants (Business Strategy and Support)
Lewtas, Robert - Strategic Partner Manager, South East International Trade Team, UK Trade and Investment (UKTI)
Lingham, Caroline - Programme Manager, West Kent Leader – Sevenoaks District Council
McKenzie, Carolyn – Sustainability and Climate Change Manager (Enterprise and Environment)
Milne, Elizabeth - Natural Environment and Coast Manager (Enterprise and Environment)
Moys, Ron - Head of International Affairs Group (Business Strategy and Support)
Ratcliffe, Joseph - Principal Transport Planner, Strategy Planning and Environment, (Enterprise and Environment)
Reeves, Mark – Project Manager (Customer and Communities)
Riley, Martyn - Economic Development Officer (Business Strategy and Support)
Samson, Steve - Trade Development Manager, (Business Strategy and Support)
Tidmarsh, Anne - Director of Older People and Physical Disability (Families and Social Care)
Vencato, Dr. Maria Francesca - Kent Brussels Office
Walby, Maureen – Project Manager, ACRK
Ward, Nicholas – Friday People
Wood, Ruth – Head of Research and Strategy, Visit Kent
Wookey, Paul – Chief Executive, Locate in Kent

Appendix 4: Questionnaire sent to leads for EU funded projects

Kent's European Relationship Select Committee – evidence request

We are seeking to gain the views of project managers (KCC/external) who have played a lead role in an EU funded project in Kent (over the last round) in order to inform a Select Committee Review on the above topic. The committee comprises 7 Members of Kent County Council and will be reporting in March 2014. The terms of reference are:

To determine:

- The benefits, disbenefits and challenges for KCC, Kent organisations and the Kent economy from KCC's European engagement and activities over the period 2008-13.
- The key lessons that may be drawn from engagement and activities undertaken during this period
- What KCC needs to do in order to maximise the potential benefits to the County from European engagement and activities in the future.

If your project is being highlighted to the select committee via another route you are still welcome to submit your own experience. (If you are attending a select committee hearing or submitting written evidence please feel free to treat this request as 'for information only').

Questions for European project leads (KCC and external)

You may have been involved in more than one project – if this is the case we ask that you focus on just one when answering the following questions.

1. Could you please provide a brief pen portrait of a European Union (EU) funded project you have been involved with since 2008 noting the relevant funding stream.
2. What were the reasons for deciding to take part in an EU funded project?
3. Was there any alternative funding available to you?
4.
 - a) If you faced any challenges in obtaining EU funding for the project, please outline these?
 - b) Which local changes or developments might have helped you address such challenges?
5.
 - a) If your approaches for funding failed, what were the reasons for this?

6. What recommendations would you make to others who are hoping to successfully obtain funding?
7.
 - a) If you faced any challenges with regard to working with European or local partners on projects, could you please outline these?
 - b) What local changes or developments might have helped you address such challenges?
8. What have been the key outcomes, including any benefits and drawbacks from participation in the project?
9. Please add any further comments/learning points you feel could inform the review.

NOTES

- a. *Please ensure that your name, organisation and Project name/date are on your response plus the approximate value of the EU funding, if obtained.*
- b. *The responses received, along with other evidence gathered, will assist the Select Committee to understand how challenges might be addressed and benefits to Kent maximised in the future.*
- c. *The select committee process is public so please do not include anything which is commercially sensitive or should not be shared.*
- d. *Please send your response to sue.frampton@kent.gov.uk with the subject heading **EU SELECT COMMITTEE by 10th January 2014**. Thank you!*
- e. *Because of the very short timescales – partial responses or ‘key points’ would be very welcome.*
- f. *More information about the Kent’s European Relationship Select Committee can be found at: <https://democracy.kent.gov.uk/ieListMeetings.aspx?CId=822&Year=0>*
- g. *Participants will be sent a link to the final report which is due in March 2014*

Appendix 5: Mini Questionnaire to Directors and Heads of Unit

This request was sent by email via Corporate Directors' staff officers. The majority of responses were received in the first week. A reminder was sent on 14th January which elicited a few more responses.

Request to all KCC Directors and 'Heads of' – 8th January 2014

As you may know a Select Committee on the above topic is now under way. The agreed Terms of Reference and Scope are attached. In order to inform the review you are invited to answer the following questions by return. This should take no more than 5 minutes of your time.

1. What statement best describes your position/awareness regarding KCC's international work
 - a. No/low level of awareness
 - b. Basic knowledge e.g. recent experience of presentation by KCC International Affairs Group (IAG)
 - c. Directorate has utilised the expertise of IAG in the past but not currently
 - d. Directorate is currently liaising with IAG on international work
2. What statement best describes your position/awareness regarding forthcoming opportunities for EU Funding 2014-20?
 - a. No/low level of awareness
 - b. I am aware that a new European Funding round has begun but have no detailed knowledge of opportunities
 - c. I am aware that a new European Funding round has begun and work is already under way to access one or more funding streams to support core priorities.
 - d. My unit has firm plans to access one or more funding streams to support core priorities.
3. If you answered a or b to question 2 which statement best describes your position with regard to accessing EU funding opportunities?
 - a. I would be interested in learning more about the opportunities for EU funding to support core priorities.
 - b. I would not be interested in learning more about the opportunities for EU funding to support core priorities.
4. If you answered b to question 3, please say why.

Appendix 6: EU Funding Opportunities 2014 – 20

(Ron Moys, Head of International Affairs Group – written evidence)

I Territorial Programmes

Programme	Total Funding (€m)	Priorities	Key KCC Strategies
Interreg VA '2 Seas' Cross-Border Co-operation	€150	Innovation Low Carbon Climate Change Resource Efficiency	'Unlocking the Potential' 'Innovation for Growth – Kent's approach to Smart Specialisation' Kent's Environment Strategy
Interreg VA 'Channel' Cross-Border Cooperation	€150	Innovation Low Carbon Environment and Resource Efficiency	'Unlocking the Potential' 'Innovation for Growth – Kent's approach to Smart Specialisation' Kent's Environment Strategy
Interreg VB North West Europe (NWE) Transnational Cooperation	€350	Innovation Low Carbon Resource and Materials Efficiency	'Unlocking the Potential' Innovation for Growth – Kent's approach to Smart Specialisation' Kent Environment Strategy
Interreg VB North Sea Region (NSR) Transnational Cooperation	€150	Innovation Environment Transport	'Innovation for Growth – Kent's approach to Smart Specialisation' Kent's Environment Strategy 'Growth without Gridlock'
Interreg VC Interregional Cooperation	€300	Innovation SME Competitiveness Low Carbon Environment and Resource Efficiency	'Unlocking the Potential' Innovation for Growth – Kent's approach to Smart Specialisation' Kent's Environment Strategy
South East LEP EU Structural and Investment Fund (SIF)	€185	Innovation SME Competitiveness Low Carbon Employment Education and Skills Social Inclusion	'Unlocking the Potential' Innovation for Growth – Kent's approach to Smart Specialisation' 'Learning Employment and Skills Strategy'

II Thematic Programmes

Competitiveness of Enterprises and SMEs (COSME)	€2,290	Promoting Entrepreneurship Access to Finance Access to New Markets Reducing Administrative Burdens	'Bold Steps for Business and the Economy'
Environment and Climate Action (Life+)	€3,450	Implementing EU environment and climate policy Low Carbon Economy Reversing biodiversity loss	Environment Strategy
Creative Europe Programme	€1,460	Supporting the cultural and creative sector Increase sector's contribution to jobs and growth	'Unlocking the Potential'
Erasmus +	€14,770	Boost skills and employability Increase quality and relevance of Europe's education system	'Learning, Employment and Skills Strategy'
Social Change and Innovation	€919,470	Supporting employment and social policies across the EU	'Bold Steps to Tackle Disadvantage'
Health for Growth	€450	Health Innovation Sustainability of health systems Responding to cross-border health threats	'Bold Steps for Health'
Connecting Europe Facility	€21,930	European networks in the field of energy, telecommunications and transport Building missing cross-border links Removing bottlenecks along main trans-European transport corridors	'Growth without Gridlock' 'Unlocking the Potential'
Horizon 2020	€79,400	Research and Innovation Address major societal Challenges Bridge the gap between research and the market International Cooperation	'Innovation for Growth – Kent's approach to Smart Specialisation'

Appendix 7: KCC International Strategy 2009 – key areas of focus

The Global Economy

- Supporting Kent companies to take advantage of new markets overseas
- Exploring new market opportunities for KCC's intellectual, physical and trading assets
- Maximising the relocation of new businesses to the County
- Developing and strengthening Kent's tourism potential
- Maximising the advantages of the 2012 London Olympics and Para Olympics
- Planning for and managing migration

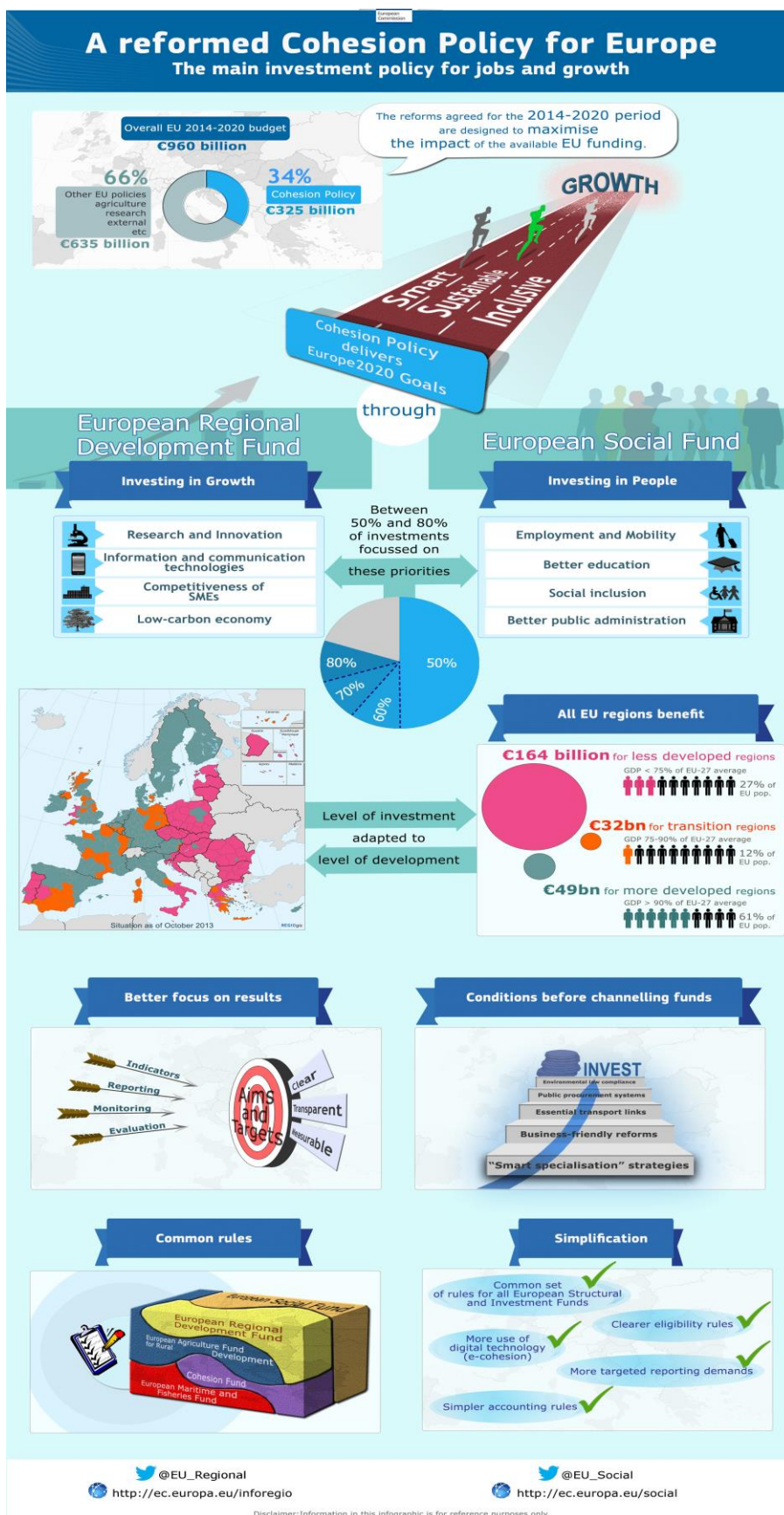
Developing Global Citizenship

- Supporting Kent companies to take advantage of new markets overseas
- Exploring new market opportunities for KCC's intellectual, physical and trading assets
- Maximising the relocation of new businesses to the County
- Developing and strengthening Kent's tourism potential
- Maximising the advantages of the 2012 London Olympics and Para Olympics
- Planning for and managing migration

Ensuring World Class Services

- To learn from international best practice and to explore new ideas to drive service innovation
- To use our international connection including our Brussels office to raise Kent's profile and show case its approach to service innovation
- Maximising European funding in to the County within the current 2007-13 EU funding regimes
- Campaign for Kent's inclusion in the 2013-2020 EU funding regimes
- Extending staff exchange programmes to aid recruitment and retention

Appendix 8: European Commission Info graphic on Cohesion Policy changes



Appendix 9: Kent International Business Events September-November 2013

Kent International Business & 2 Seas Trade Update November 2013

The autumn has been a busy time for both the 2 Seas Trade project and Kent International Business with a range of activities taking place to help Kent companies in their export activities. The below highlights some of the activities which we have organised over the last few weeks:

19 Nov, 2 Seas Trade Project Day Trip to HORECA Trade Fair, Ghent, Belgium



We took 15 Kent businesses by coach to this event in Belgium which focuses on the supply sector for the hospitality & catering industry. The day enabled Kent firms to research the Belgian market and meet potential business contacts. One Kent drinks producer secured an order at the event for 80 cases of his product from a Belgian importer as a result of a connection brokered by a KCC officer.

11 Nov, Exporting for Growth Event (KIB with UKTI), Maidstone

UKTI worked with KCC, HSBC and the IOD to organise the biggest “National Export Week” in the SE. Over **150 participants** (including a very high % of ‘real companies’) attended this morning seminar to find out more about the benefits of exporting and the range of trade support services available in Kent. Speakers included broadcaster Declan Curry, HSBC Chief Economist Mark Berisford-Smith and Guy Whitehead from Armourcoat in Sevenoaks. Three successful workshops were run on the subjects of international website optimisation, international trade finance and market selection.



6-7 Nov, Visit to AquaTech Trade Fair, Amsterdam



Through the EU funded 2 Seas Trade project, we took a delegation of **8 Kent companies** to visit Aquatech – a trade fair focusing on water treatment & management. As part of the visit, the businesses were able to participate in pre-arranged appointments as part of an EEN B2B Matchmaking event. Companies found the visit extremely useful e.g. One Kent company identified a potential new distributor in the Netherlands, another identified a range of technology transfer leads and another identified a range of potential new overseas clients.

31 Oct, “How Companies can (and do) sell services to France” Event, (Ashford)



This joint ‘2 Seas Trade’ & ‘Kent Export Club’ event focused on how business & professional service companies from Kent can start doing business in the French market. **12 Kent companies** heard from specialists in the French market about how to deal with the business culture and enter the market.

24 Oct, Doing Business in the Netherlands (Manston)



33 Kent firms attended this joint event with UKTI, Manston, KLM and 2 Seas Trade to promote business opportunities in the Dutch market. The event provided useful information about key opportunities for different sectors in the Netherlands. As a result of the event, one Kent firm is now in discussion with potential customers in the Netherlands and Denmark.

3 Oct, Innovation for Independent Living Conference, Discovery Park



This conference was an opportunity for firms from Kent, Belgium and the Netherlands to find out more about opportunities in the health and social care sectors in the different markets and to network with companies from the partner regions. **44 businesses took part.**

One Kent firm said *"Part of our overall market research and ideas towards developing new software innovations"*

20-22 Sep, Regional Produce Show in Ghent



The 2 Seas Trade project took **4 Kent food & drink producers** (Quex Foods, Cheesemakers for Canterbury, Rough Old Wife Cider and Fudge Kitchen) to this consumer show in Belgium to enable them to test the market for their products. Companies found the experience very useful in determining which of their products worked well for the Belgian consumer market.

"I think there is definitely a market in Belgium for our products"

17 Sep, French-UK Networking Event (multi-sector)



The 2 Seas Trade project took **27 Kent companies** from various sectors to meet with a similar number businesses in Nord-Pas de Calais to make contacts and find out more about opportunities in the French market.

"...it was an interesting experience which definitely helped me understand French business a little more and make some new contacts"



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