

ESEC Response to Europe 2020 Consultation

Introduction

The East of Scotland European Consortium ([ESEC](#)) welcomes the opportunity to respond to the consultation on the Europe 2020 strategy. Europe 2020 is aligned with many of the existing economic strategies and targets at both local authority and Scottish Government level, and serves to provide an inspirational policy framework in which different stakeholders at local, regional and European level can collaborate in order to achieve shared objectives.

Local authorities have played - and will continue to play - a crucial role in delivering policies and programmes on the ground which are steadily making progress in combatting the consequences of the recent economic crisis. The next phase of the Europe 2020 should be based on forging stronger partnerships and networks, with a focus on the territorial dimension (rural/urban and regional) which would acknowledge that achieving the shared vision of EU, regional and local authorities can best be accomplished via a combination of a top-down and bottom-up approach. This approach would also be a step towards restoring the confidence of citizens in the European project, as local authorities work on a daily basis with citizens in planning, developing and rolling out projects funded in part by the EU and which are aimed at addressing various societal challenges.

As an example, regarding the poverty and social exclusion targets, recent trends highlight growing inequalities in vulnerable communities which suggest that meeting these targets is a long way off. Local authorities are in the frontline in tackling such issues, and therefore should be more involved in high-level discussions via their representative bodies such as ESEC, while having access to the necessary resources, particularly funding. We strongly support Europe 2020 which we consider to be an invaluable framework but it still needs to prove its effectiveness. In the latter half of the strategy, we believe local authorities will play a key role in ensuring that our shared objectives and targets are met.

For you, what does the Europe 2020 strategy mean? What are the main elements that you associate with the strategy?

It is a strategy for promoting smart, sustainable and inclusive growth; to help foster innovative and competitive businesses so that local communities have greater opportunities to find work. ESEC members have undertaken work to demonstrate links between local plans and strategies to Europe 2020. This has enabled us to engage with more ease at EU level.

The solid focus in Europe 2020 on climate change and sustainability, and tackling poverty and social exclusion are two areas in particular in which ESEC members have strong motivation and credentials.

Overall, do you think that the Europe 2020 strategy has made a difference? Please explain.

Europe 2020 has given a clear mandate and direction to the work of the EU in recent times and it has given regions a clear indication as to the priorities at EU level. This has helped us to focus our work

at a local level, particularly in terms of EU transnational cooperation, to ensure that the issues we address are not only local issues, but EU-wide issues.

Additionally, it has acted as a driver for national governments to create policies that support business growth and up-skills the population. However, as the main structural funding programme was effectively 'spent' shortly after the strategy's launch, it has been difficult to fund projects of scale that could have further contributed to the Strategy's aims.

We strongly support the Europe 2020 strategy which has been an invaluable framework, although it has yet to prove its effectiveness. Further implementation and initiatives to achieve the objectives should be done in closer collaboration with partnership with local authorities.

Has the knowledge of what other EU countries are doing in Europe 2020 areas impacted on the approach followed in your country? Please give examples.

When there have been clear opportunities for cooperation with other countries, then the impact has been positive. However we have also identified clear challenges in accessing best practice exchanges with other areas. For example, through the North Sea Commission, Aberdeen City Council has engaged with other EU regions to develop a hydrogen-economy strategy. This will align the approach that it is taking and will enable transferability of joint solutions to be replicated across the EU. Fife Council has actively sought out partner countries through the Lifelong Learning programme and this has been useful in gaining pockets of knowledge about activity in other EU countries.

However, there is also a sense that there is a limited knowledge of the projects that are being delivered in other countries and improvements could be made in order to ensure partnerships and best-practice exchanges are facilitated. Those that are publicised are often not suitable to be replicated due to the other EU Member States having different conditionalities, structures and systems in place.

Has there been sufficient involvement of stakeholders in the Europe 2020 strategy? Are you involved in the Europe 2020 strategy? Would you like to be more involved? If yes, how?

Our involvement with other stakeholders has mainly been with the Scottish Government, East Scotland European Partnership, Scotland Europa and other local authorities. We welcome any opportunity to be involved in shaping future strategies and to engage on a wider basis, bearing in mind that our members are facing increasingly restricted resources in terms of budget and staff.

With the commencement of the 2014-2020 funding programme, our members can start to deliver projects that will make a difference and contribute to the 2020 strategy.

Do the current targets for 2020 respond to the strategy's objectives of fostering growth and jobs?

Yes. Although the targets are very broad, further detail is provided within the various flagship initiatives.

The objectives of fostering growth and jobs will be harder to achieve without engaging those at risk of poverty and social exclusion, and getting them into sustainable employment is a means of reducing that risk and fostering growth. In simple terms, they become contributors to growth rather than distributing to costs for support and intervention services. The overarching targets of Europe 2020 help to drive such initiatives. However, it is important to bear in mind that in areas such as Aberdeen, statistics show a generally wealthy area, and it is only at the local level that it becomes clear there are pockets of deprivation which are best tackled at a local level.

Regarding energy and emissions targets, the alignment with the Scottish Government's targets are clear and highlight the importance of future strategic goals. Through the single outcome agreement it will be clear how these targets relate to each local authority area and to what extent they will contribute to the 2020 strategy.

Among current targets, do you consider that some are more important than others? Please explain.

All targets will be important. The target on poverty and social exclusion is important because without a focus on it there is continued drag on strategy objectives and as mentioned above, reducing social exclusion will be a catalyst in fostering growth and jobs.

Given that ESEC members have varying objectives, challenges, resources and strengths, each of these local authorities will have a different focus on each of the targets. For example, R&D is the key priority for Fife Council, which identified R&D as being vital for future economic strength and prosperity. In Aberdeen City Council, the targets relating to employment are lower than its current level and so are not relevant. For Aberdeen, other targets are more relevant such as those relating to energy.

Employment targets are very important in areas which are experiencing an ageing population, such as Angus. Related strategic aims which encourage skills development and retention of talent will support the target and Scottish Government programmes have explored the use of policy tools to address this, for example modern apprenticeships, employer recruitment incentives and targeted support for specific sectors. These initiatives also support the renewables targets as this is a sector of massive potential which has seen a surge in growth, and is therefore in need of skilled employees. For example, in Angus the first biomass training facility in Scotland was created - the Biomass Academy – which along with other renewables courses being delivered in local colleges has started to support identified skills gaps and will contribute to 2020 targets.

Do you find it useful that EU-level targets are broken down into national targets? If so, what is, in your view, the best way to set national targets? So far, have the national targets been set appropriately/too ambitiously/not ambitiously enough?

EU level targets have to be broken down into national targets if they are to be meaningful - especially if the levers for achieving targets are at national level – however efforts should be in place to ensure that in the process to decide targets at national level, then they do not become unclear or diluted.

Regarding poverty and social exclusion, national targets need to take cognisance of national circumstances and be set in collaboration with nations rather than be set for them.

In the case of the climate change and sustainability targets, when the Energy Efficiency in Public Buildings Regulation was put forward there were calls to place targets on all public buildings to be included. By the time the final version was published this was reduced to all public buildings owned by national governments, and these concessions have made the regulations very weak and have minimal impact. If the targets within EU2020 are to be achieved then the mechanisms put in place to make it happen must be clear and not constantly watered down (always assuming that they are realistic and not going to have a major negative impact on public bodies).

Employment targets may need to be more localised in order to take into account an area's deprivation levels, local services, access to funding, location (rural/urban) and other available opportunities otherwise the targets may be too aspirational.

What has been the added value of the seven action programmes for growth? Do you have concrete examples of the impact of such programmes?

The Flagship Initiatives have given greater understanding as to how the overarching targets may be met and are typically aligned with funds to support the implementation. They have the added value of setting the agenda and driving projects to meet the over-arching targets.

To give a concrete example, the Fife Youth Jobs contract was achieved under the FI “Agenda for new skills and jobs” and was funded from Fife Council. The Europe 2020 Strategy was used as evidence of need and as a driver for the conversations within the Council to ascertain the strategic fit of the project funding.

Does the EU need a comprehensive and overarching medium-term strategy for growth and jobs for the coming years?

The existing strategy and targets will ensure that local authorities can focus on driving the required societal-change and tackling the longer-term Europe 2020 targets.

As the latest funding programme has only just come on stream and projects have been designed to fit those streams, any significant alteration in strategy aims and goals will affect projects adversely. The bureaucratic cost of setting an “adjusted” strategy amongst the 28 Member States would be prohibitive and could affect project delivery.

The EU should have confidence in its 2020 Strategy and whilst a review of progress is always useful, any significant alteration of aims, objectives or targets may distract and destabilise the projects that are due to produce the long-term structural changes that are needed in order to build a stronger Europe.

What are the most important and relevant areas to be addressed in order to achieve smart, sustainable and inclusive growth?

This of course varies according to each Member State and local authority, but particular attention should be given to business investment, specifically:

1. Ensuring that businesses are energy efficient, thereby reducing their cost base and help making them more globally competitive, thus fostering growth and job opportunities.
2. Regeneration/retrofit of ageing business infrastructure to ensure there is a modern business infrastructure, fit for 21st century.
3. New business infrastructure, both physical and digital.
4. Identifying and addressing future skills gap.
5. Ability to enhance the R&D spend in the renewable energy sector i.e. marine energy/ blue growth
6. Sustainable transport methods i.e. hydrogen refuelling etc.

What new challenges should be taken into account in the future?

There is a pronounced lack of funding available in order to adequately address the targets, whether it be via match funding, grant or loan funding. These funding constraints are the greatest challenge for local authorities in implementing Europe 2020 and the necessary investments require a long-term funding perspective.

Additionally, the EU recently adopted the Circular Economy package which contains some ambitious recycling and other waste-related targets to kick-start the transformation into a Europe-wide zero waste economy. We support the ultimate ambition of a zero-waste economy but call on the

European Commission to provide stakeholders with the relevant support, information and funding in order to attain this transformation.

With regards to skills and employment, it is anticipated that the emergence of zero hour contracts and welfare reforms may lead to a challenge in terms of local people's standard of living and in-work poverty which should be noted for the future.

How could the strategy best be linked to other EU policies?

All future EU policy proposals should set out how they intend to achieve smart, sustainable and inclusive growth in the framework of the Europe 2020 strategy. The legislative process should enable input from existing networks, both geographic and thematic.

What would improve stakeholder involvement in a post-crisis growth strategy for Europe? What could be done to increase awareness, support and better implementation of this strategy in your country?

We would recommend improved tools to facilitate networks, communication, knowledge sharing and best practice. Regular national and thematic workshops should be organised to achieve better implementation of the strategy. The Commission should make better use of its permanent representations in Member States, as these offices could serve as very effective vehicles to inform local authorities and other stakeholders of strategy-related developments and could deliver efficient policy coordination.

What type of instruments do you think would be more appropriate to use to achieve smart, sustainable and inclusive growth?

Funding remains the most effective instrument in achieving the smart, sustainable and inclusive growth objectives. Within this particular tool, the effectiveness and ease of use varies. Grants are still an important element for project and greater access to grants would facilitate the ability to contribute to the 2020 goals. Financial engineering products can be useful in some cases, but not all.

Reporting requirements should be consistent and not excessive or overly administrative or bureaucratic. A move to funding which is linked more closely to outcomes would make the audit requirements much more efficient. There are proposals to try this with the new ESF, but whether it will make reporting any easier still remains to be proven.

Stakeholders should be given the opportunity to properly engage at EU level throughout the legislative process with policy recommendations and input.

Taking a concrete example of a very successful initiative on the ground, the Angus Employability Academy Approach was an employability programme targeting various sectors aimed at pre-work programme claimants and which delivered very positive and concrete results in getting people into work and developing the skills of those already in work. The main aim of the Academy was to apply a person-centred approach to moving people into a positive destination that suits their stage of the employability pipeline be it further education, employment, volunteering or specialist support. The Academy was showcased at the Europe 2020 Growth Strategy Conference during which President of the European Commission José Manuel Barroso stated that "in a changing world, we want the EU to become a smart, sustainable and inclusive economy. These good practice examples should help the EU and the Member States deliver high levels of employment, productivity and social cohesion." As a result of the Academy, other areas followed this approach and secured equally successful results, for example the youth, security, agriculture and tourism academies.

What would best be done at EU level to ensure that the strategy delivers results? What would best be done at Member State level?

To deliver the stated objectives, it is crucial at EU level to be consistent with strategy and policy. Reducing the labyrinth of funding streams available would be useful, and streamlining the number and bureaucratic levels will greatly reduce the complexity for delivery agents.

At national level, clear targets are required which are relevant at national level based on the resources available for investment.

How can the strategy encourage Member States to put a stronger policy focus on growth?

Following the economic crisis, government policies are already likely to focus on growth where possible. In Scotland, the Scottish Government adopted its Government Economic Strategy in 2011 which identified six strategic priorities to accelerate recovery, drive sustainable economic growth and develop a more resilient and adaptable economy. This Strategy is closely aligned with the objectives and priorities of Europe 2020. At a local level, many local authorities have also adopted their own Economic Strategies, which will contribute to the multi-layered vision of securing economic recovery and delivering faster sustainable growth.

Are targets useful? Please explain.

“All performance targets are flawed, some are useful” (Moullin, 2009a). The behavioural effects of targets are predictable consequences of a top-down performance management culture that encourages staff to prioritise an inevitably flawed target over service to the public. That does have the potential to make organisations accountable against the monies spent and can help direct activities to achieve change.

However, targets cannot stand alone or be created in isolation. Without investment or change in the processes we can end up with 'goals without methods' which are counter-productive. Unless goals are realistic they result in hindering real growth which is the main objective of the EU 2020 Strategy.

Would you recommend adding or removing certain targets, or the targets in general? Please explain.

We support the targets as they help to give an indication as to the level of engagement expected.

We would however resist calls for an introduction of new mid-term targets. We would urge Europe to remain consist in its aims and thus allow projects to be developed and delivered that will make a significant change to the community.

What are the most fruitful areas for joint EU-Member State action? What would be the added value?

Blue growth, energy including renewables, sustainable transport, Lifelong learning, skills and employability initiatives, STEM and so on. It would be helpful to promote the need for strong action on tackling poverty and social exclusion.

Partnerships and cross boundary projects would prove cost effective and efficient if supported at a European level. Providing support and facilitating partnerships would link those complimentary projects and encourage joint working.

About ESEC

The East of Scotland European Consortium (ESEC) was established in 1992 to represent the European interests of local authorities in Eastern Scotland. We have membership of 8 Local Authorities within this area (*Aberdeen City, Aberdeenshire, Angus, Dundee City, Falkirk, Fife, Perth and Kinross, and Stirling*) who collaborate on a shared European agenda. With a population of just over 2.34 million (46% of Scotland's total) the East of Scotland is an area of contrasting industrial, rural and urban landscapes with significant North Sea coastline.

ESEC aims to:

- Influence, where directly relevant, the development of emerging European policy and legislation as it affects Eastern Scotland;
- Maximise European Union financial assistance;
- Foster cooperation between local authorities in Eastern Scotland and to provide a framework for the promotion of appropriate geographic and sectoral groupings; and,
- Develop links with similar regional groupings within Scotland, the United Kingdom and other European Member States and develop Eastern Scotland corporate representation on appropriate bodies.

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