



meeting Administration Committee

date 20th October, 2004

agenda item number

Report of the Assistant Director, Regeneration

Alliance for Regional Aid (AfRA) Delegation Visit to Brussels

Purpose of Report

1. To consider Councillor Chris Winterton's visit to Brussels as part of the Alliance for Regional Aid Steering Group.

Advice and Information

2. Approval is sought within the terms of the Council's Conference and Travel Policy for Councillor Chris Winterton to visit Brussels.
3. Participation of the Alliance for Regional Aid Steering Group has been considered under paragraph 3 of that policy and the following comments are offered:-

AfRA is an umbrella organisation comprising the Coalfield Communities Campaign, the European Industrial Regions Association (EIRA), Steel Action and Leading Action for Textiles, Clothing and Footwear (LATCF). It was formed, in 1997, with the objective of defending the share of European Regional Aid taken by the UK's traditional industrial areas against the threat posed by the 1999 Reform of the Structural Funds.

4. AfRA represents the interests of its members in all issues relating to regional policy and particularly as it impacts upon industrial sectors and economically disadvantaged areas. The work of AfRA is directed by a Steering Group made up of the Chairs of the four organisations which comprise the Alliance. Councillor Chris Winterton is Chair of the LATCF and hence sits on its Steering Group.
5. The purpose of the AfRA Steering Group's visit to Brussels is to meet with the top official at the European Commission's Competition Directorate. The European Commission controls the State Aid Rules that operate within Europe. To avoid distortions in the free market economy (ie. anti-competitiveness), there are strict rules that govern the financial assistance (grants, loans etc) that

can be given to businesses by the public sector.

6. Within the UK, there is a map which determines the level of assistance that can be offered to businesses (known as Tier 1, 2 and 3 assistance areas). Generally, areas which allow higher levels (Tier 1 and 2) of assistance are those that are economically lagging behind. Thus, a large percentage of the State Aid map focuses upon areas with a reliance on traditional industrial industries. Approximately, 42% of Nottinghamshire, primarily former coalmining areas, has Tier 2 status and continuing State Aid eligibility is important for those areas.
7. The present framework for State Aids ends in December 2006. The European Commission proposals are to tighten the State Aid map and so there is a very real threat of areas like Nottinghamshire losing Tier 2 State Aid assistance. This would have an extremely detrimental effect on the efforts to regenerate some of the most disadvantaged economies in the UK and it is important that key decision makers and policy shapers in European and the UK are aware of the implications.
8. The meeting with Philip Lowe, the Director-General of the European Commission's Competition Directorate is currently scheduled to take place on 26th October, 2004 (although this could be subject to change). It follows a consolidated lobbying campaign by AfRA to press its position in respect of the State Aid reform.
9. The visit will involve travel to and from Brussels and hotel accommodation either on the night preceding, or the night of the meeting (depending on the time of the meeting). The estimated costs associated with the event include:

Description	Amount	To be met from
Return economy flight to Brussels	£320	Members' conference budget within Regeneration Portfolio
UK travel by car/train	£ 65	ditto
One night hotel accommodation (approx)	£ 65	ditto
Insurance	£ 15	ditto
Subsistence	<u>£ 85</u>	ditto
Total	<u>£550</u>	

Statutory and Policy Implications

10. This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, Crime and Disorder and those using the service. Where such implications are material; they have been described in the text of the report.

Recommendation

11. It is recommended that approval be given to the attendance of Councillor Winteron at the Alliance for Regional Aid Steering Group's meeting with the Director-General for Competition in Brussels currently scheduled for 26th October, 2004 (but possibly subject to change).

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Director of Resources Financial Comments (C.C)(P.B)

The costs of up to £550 will be funded from the members' conferences budget within the Regeneration Portfolio.

Legal Services Comments

Approval for Members travel abroad falls within the delegations to the Administration Committee. The Council has powers under the Local Government Act 2000 to do anything likely to improve the economic, social or environmental well being of its area or of people within its area. The Council lists amongst its priorities, culture, environment and the community. The Committee must be satisfied that the proposals and recommendations in this report fall within the provisions of the statutory power and will improve the economic, social or environmental well being of the area and in doing so the Committee must have regard to the matters set out in the Council's Community Strategy.(JA 17.09.04)

Background Papers Available for Inspection

AfRA Steering Group Papers

Electoral Divisions Affected

Coalfield Divisions across the County