

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Leader and Executive Member for Hampshire 2050 and Corporate Services
Date:	9 March 2023
Title:	Membership of Assembly of European Region
Report From:	Director of Hampshire 2050

Contact name: Ian Gray

Tel:

Email: Ian.Gray4@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to make the case for the County Council's resignation of its Assembly of European Regions (AER) membership.

Recommendations

2. That the Leader and Executive Member for Hampshire 2050 and Corporate Services approves the resignation of Hampshire County Council's membership of the Assembly of European Regions at the earliest opportunity.
3. That the Leader and Executive Member for Hampshire 2050 and Corporate Services delegates authority to the Director of Hampshire 2050 to send a letter of resignation from the County Council to the Assembly of European Regions and to take such other action as is required to implement the County Council's resignation.

Executive Summary

4. In January 2022 it was agreed that a review would be undertaken of the County Council's membership of the Association of European Regions (AER). This recommendation aligned to the Cabinet decision to close the Brussels Office, formally the Southern England Local Partners (SELP) office, which has been in situ since 2007 as the SELP office and from 2019 as the Brussels Office for Hampshire County Council.
5. This report outlines the existing details of the County Council's membership of the AER and provides an overview of the current on-going costs, resources and benefits associated with its continued membership.
6. The report concludes that the on-going costs and time associated with membership of the AER does not continue to represent value for money, especially in the context of the changing focus of the UK International trade policy, and with the County Council's resource now focused on supporting

Hampshire businesses and Inward Investment opportunities, in accordance with the approved Economic Strategy.

Contextual information

7. The County Council has been a member of AER since 2007, and has previously hosted a Brussels Office, formally the Southern England Local Partners (SELP). Following a Cabinet decision in January 2022, it was agreed to close the Brussels Office alongside agreement to consider the County Council’s on-going membership of the AER network.
8. The AER currently comprises 140 defined regions across 25 nations. Since 2019, Hampshire is currently the only UK region as a full Member of this body.
9. Historically the County Council was involved in shaping a range of projects and championing trade and investment. The most recent project, “Everywhere Internationals Small and Medium-sized Enterprises (SME’s) European Project”, led by Hampshire County Council, completed in September 2022. The final output from this programme is a report into the impacts of Covid-19 on SME’s, which was an extension to the original project.
10. Projects delivered through the membership in Hampshire include:
 - a. Everywhere International SMEs (EIS) 2017-22. Hampshire leads this project funded by Interreg Europe involving six other European regions with a total project budget of c. €1.5m (c.£1.3million).
 - b. Regional Adult Learning Multipliers & the Europe 2020 Strategy (REALM), 2011-12. Hampshire led this project funded under the Erasmus programme with a budget of c. €170k (c.£150,000)
11. The objectives of the County Council maintaining membership included making connections with European regions, which Hampshire businesses may find beneficial to expand their businesses into, and these links could provide support for the business to do so, as well as “selling” the benefits of locating and operating in Hampshire for businesses looking at expanding into the UK. It has not been possible to evidence any future direct benefits to the County Council nor Hampshire businesses, hence the closure of the Brussels Office and the recommendation to withdraw from AER.

Costs of Maintaining Membership

12. The resources and on-going costs of membership are outlined below

Expense	Cost per annum
Annual Membership	€11,000 (c£10,000)
General Assembly Meetings Twice per year 2 x Councillors 1 x Officer	c.£5,000 inclusive of expenses
Networking and Partnership Meetings 4 meetings per year	c.£8,000 inclusive of expenses

Minimum 1 Officer attending	
Officer Support 0.75 FTE* @ Grade G inclusive of on-costs	£43,109pa
Management Support 0.15 FTE @ Grade I inclusive of on-costs	£12,401pa**
Senior Officer Support 0.10 FTE across Director & Assistant Director inclusive of on costs	£16,500pa**
Project Costs No current projects being undertaken	Dependent on project and could be reclaimed through project grants and levels of match funding required.

*If more resource is required to deliver project(s), these costs could be reclaimed as part of the project grants.

**These are not cashable savings, but an example of the costs associated with supporting project delivery

13. **Officer Support** - The engagement in supporting the meeting schedule and associated project work is picked up by the Economic Development team, currently led by the Economy Strategy Manager. Resource levels will depend on the engagement in particular projects, but on a recurring basis this is estimated to be c0.75 FTE (Grade G), plus additional senior leadership oversight at Director and Assistant Director level of c0.10 FTE
14. **Future** membership of the AER requires a presence in the EU meetings with networking at key partner events. Without a presence in Brussels following the decisions previously taken, resource needs to be allocated to monitor funding and partnership calls for their relevance to Hampshire, as well as attending Assembly and Partnership meetings. None of the associated costs of attendance are currently budgeted for within the Economic Development budgets. Any projects undertaken would require alignment of the County Council's work with the objectives of the partnership project, which risks diluting the outcomes for Hampshire.
15. Post Brexit, the UK is not part of the formal EU structure, and it is unclear if the County Council would have any impact or influence on policy or funding proposals, albeit that the AER is not defined as a European Union focused platform.
16. Within the new Economic Strategy, the focus is to support businesses in international trading via exporting, working also alongside the Solent Freeport, enterprise and innovation zones as well as building local partnerships with businesses and organisations, supported through central Government funding and any potential form of devolution. It can therefore be viewed that continued membership may simply distract from the core work being undertaken locally within Hampshire.

Finance

17. The closure of the Brussels office in 2022 released c£0.1million of savings for SP23. As per the table in paragraph 11, a further £66,000 of savings could be achieved through not continuing with membership.

Consultation and Equalities

18. An Equality Impact Assessment has not identified any negative impacts following the resignation from the Assembly of European Regions on any protected group or geographic area within Hampshire.

Climate Change Impact Assessments

19. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.

Climate Change Adaptation

20. This proposal is not vulnerable to climate change.

Carbon Mitigation

21. Carbon emissions are only likely with continued membership of the AER through continued travel into Europe.

Other Key Issues

22. Clarification is currently being sort from the AER secretariat to confirm leaving processes in the context of the membership year running from January to December.
23. The membership agreement states that a letter must be sent to the AER prior to the 1st of January to cease membership, therefore a letter will have to be sent from the County Council to the AER secretariat prior to 31 December 2023 so this can be ratified by the Executive Board, and the County Council will formally be removed from the Assembly as of 1 January 2024.
24. The invoice for this current year's membership is yet to be received.

Conclusions

25. Resignation from the Assembly would ensure Economic Development resources are dedicated to supporting businesses within Hampshire and expanding the Inward Investment offer supporting Growth. Export support for businesses will be continued and investigation and support to access overseas markets will be available to businesses through partnerships.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	yes
People in Hampshire live safe, healthy and independent lives:	no
People in Hampshire enjoy a rich and diverse environment:	no
People in Hampshire enjoy being part of strong, inclusive communities:	no

Other Significant Links

Links to previous Member decisions:	
<u>Title</u> Hampshire Brussels Office Hampshire Brussels Office-2022-01-27-EMETE Decision Day (hants.gov.uk)	<u>Date</u> 27 th January 2022
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

An Equality Impact Assessment has not identified any negative impacts following the resignation from the Assembly of European Regions on any protected group or geographic area within Hampshire.