

# BRITISH CHAMBERS OF COMMERCE

## EU REFERENDUM BRIEFINGS

# REGIONAL DEVELOPMENT FUNDING

In focus groups held at Chambers across the country over Q4 2015 - Q1 2016, the role that EU funds play in local and regional economic development was raised. Currently, EU monies drawn down by the UK form part of the funding mix for economic development. Some parts of the UK receive additional 'convergence' or 'transition' funding aimed at closing the economic gap with wealthier EU regions. In 2016, Cornwall; Northern Ireland; Wales; parts of northern England and the Highlands and Islands of Scotland were in receipt of such monies. EU funding programmes are reviewed every five years so for both referendum outcomes our focus groups wanted to see more clarity about how infrastructure, training and other initiatives would be supported with non-private sector funds in the future.



Of the funds received by the UK from the EU budget in 2015, 28% (around £1.25bn) was from structural funds for economic development. These are used to co-finance local and national programmes including business support. Separately, the EU's investment bank (EIB) invested Euro 7.8bn in UK infrastructure, research and education.



### \*The official Leave campaign says:

“Outside the EU, we will be able to spend our money on our priorities. The UK could maintain or increase the funding provided to specific regions and for infrastructure which currently comes through the EU.

The UK fares very badly from the regional development and structural funds systems. Despite being one of the largest contributors to the EU budget, in 2014, wealthy EU member states, including Germany, Spain, Portugal, Italy and France, received more in structural funds than the UK. As a percentage of gross national income, only Denmark and the Netherlands received less than the UK.”

### \*The official Remain campaign says:

“Britain will continue to benefit from European funding to our regions if we remain in, maintaining the support which helps to deliver skills and other projects all over the UK. Leaving would mean complete uncertainty about how much, if any of this funding, would be kept.

Analysis by Oxford Economics shows that leaving would harm the UK economy, which would have a knock on effect on tax revenues and public spending. It is therefore wholly unrealistic to suggest, as leave campaigns do, that there would be a net saving if we were to leave.”

For more information on the official Remain and Leave campaign positions on this and other issues please visit:

Vote Leave: [www.votetakecontrol.org](http://www.votetakecontrol.org)

Britain Stronger In Europe: [www.strongerin.co.uk](http://www.strongerin.co.uk)