

Enterprise M3 Board Meeting

28 March 2017

EU Programme Update – Item 16

Board Members are asked to NOTE the progress on the EU programme.

1. General Update

- 1.1. Following the publication of the timetable for the majority of future calls, we continue to focus on developing future specifications, in order to maximise the amount of our allocation translated in to contracted projects. With the Article 50 expected to be triggered this month, we are expecting 12 to 18 months of further tendering activities under ESIF. However, we will also continue to monitor this situation should national policy alter in any way. We continue to be nervous about the Managing Authorities ability to turnaround assessments and contracts but are monitoring the situation carefully.
- 1.2. We have launched our ESIF implementation Plan available on our web site, giving potential applicants a better visibility on future calls. We are encouraging applicants to come forward now that we have more certainty.
- 1.3. We have a number of projects contracted under the three funding streams. We have 25% of ERDF contracted, 26% of ESF contracted, and 14% of EAFRD contracted. In addition, we have several projects either in the pipeline and going through assessment.

2. European Social Fund (ESF)

- 2.1. As reported in the previous paper we have three ESF contracts that have been signed, two of these under the Skills Funding Agency (SFA) opt-in and one under the Big Lottery Fund (BLF) opt-in.
- 2.2. We had to postpone our launch of a direct call for ESF Digital Skills initially planned on 3 March due to the publication of the specification being delayed by the MA. This should now be ready to publish during April. The call is a joint call with Coast 2 Capital with two geographical lots to support businesses across the Surrey borders. The project aims to work with employed individuals to upskill them with digital skills. It is worth £800,000 ESF for Enterprise M3 Area.
- 2.3. In addition to the Digital Skills specification there are also 5 new specifications in development for:
 - Digital Skills for the unemployed - £500k ESF grant to link with the previous call
 - Employer Led Employability and Vocational Skills - £1m ESF
 - Development of Higher Level Skills Capacity (Apprenticeships) - £450,000 ESF
 - Retraining for a Fuller Working Life worth - £1m ESF
 - STEM skills - £500,000 ESF

3. European Regional Development Fund (ERDF)

- 3.1. A further 3 calls were issued in December and we have received 4 outline bids. These are currently going under assessment. These Calls were:
 - Access to Finance - £500,000
 - Digital to Support SMEs Embracing New Digital Technologies and Superfast Broadband Uptake - £1.2million

- 5G Technologies and Development of New Products - £4million

- 3.2. In line with our ambition to publish the remaining ERDF specifications, we have one Internationalisation specification for '**Inward Investment**' worth £1m ERDF ready to be launched mid March. We are planning a launch event for this specification in early April in Farnborough.
- 3.3. Furthermore, we have one specification in preparation due to be launched in May which will be aimed at supporting a **high growth SMEs scale up programme**. This will help us develop our scale up programme for ambitious companies and is in line with the push from government that LEPs should work with their Growth Hubs and key partners on scale ups as set out in the recent Industrial Strategy.
- 3.4. We are planning a further specification which will focus on **supporting innovation, helping entrepreneurs commercialise research and development activity**. This specification, which will be launched in July and complement the work being undertaken as part of the Science and Innovation audit and SEP refresh.

4. **European Agricultural Fund for Rural Development (EAFRD)**

- 4.1. Four EAFRD projects have now been contracted out of the first round of EAFRD fund. These are:
 - An office conversion project lead by G Horn and Sons.
 - A project to develop Chobham Adventure Farm Park.
 - Two projects lead by Hambleton Wineries Ltd for a new wine cellar and for a new tourism/visitor facilities.
- 4.2. The next EAFRD Calls opened at the end of January 2017 with three specifications as follows:
 - Tourism infrastructure - £826,000
 - Food and Drink Processing - £826,000
 - Rural Business Development Grant - £174,000
- 4.3. They will remain open for a year with points of review during that time. A joint DEFRA/LEP Launch event is scheduled for 20 March, to be held in Farnborough. We submitted a successful proposal to DEFRA to part fund this event under Technical Assistance. We will be working with our contacts to promote the new funding opportunities and working closely with LEADER Teams to help applicants understand the funding routes available to them and to select the most appropriate.

5. **Funding**

- 5.1. Board members may recall that we set aside funding to underwrite our EU expenditure as part of our technical assistance programme for ERDF and ESF. We have now submitted our first claims for ERDF and ESF TA for the period April to December 2016 totalling £70,932. We are expecting payment within the next two months.

6. **ESIF Committee**

- 6.1. The next ESIF Committee has been scheduled on Friday 31st March 2016.

Kathy Vuillaume/Jennie Pell
15 March 2017