

Enterprise M3 Board Meeting

25th May 2017

EU Programme Update - Item 15

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

1. General Update

- 1.1. Following the publication of the timetable for future calls, the past two months has been a busy time for the ESIF Programme across all three funding streams. Above all, our focus has been on doing all we can to ensure our allocation is contracted before the UK leaves the EU in March 2019. This activity has included the development of funding specifications, running events, supporting potential applicants as well as managing the Technical Assistance project.
- 1.2. Despite this activity, the announcement of the General Election and subsequent Pre-Election Period has added a further layer of uncertainty to the Programme. The planned ERDF Call Window for mid-May, in which our high growth SMEs scale up programme specification was due to be published, now looks likely to be postponed. In addition, the planned Call Window for July has now been brought forward to June and we will request that the SME Scale Up Programme specification is published then. There will then be a further Call Windows in September and November and possibly further ones in 2018.
- 1.3. To date, 81% of our ERDF allocation is published, 12% contracted and the first ERDF projects have started spending. 36% of our ESF allocation has been committed to procurement with 31% contracted. Just over 14% of our EAFRD allocation has been 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. Two further ESF direct calls were recently opened for applications. Both opened on the 20th April 2017 with a deadline for applications on the 7th July 2017. The first is Digital Skills for Employed specification, worth £800k ESF grant. This builds on the successful Digital Skills for the High Street (DSHS) funded by BIS in 2014/15. The scope of the intervention was broadened and this specification was issued jointly with Coast to Capital, therefore covering both Hampshire and Surrey. The second specification covers Digital Skills for the Unemployed worth £800k ESF grant and links to the previous call.
- 2.3. The details of the next ESF direct call specifications to be issued are not available yet, and subject to change, but expected to cover:
 - Construction Skills for the unemployed worth £1m to open in summer 2017
 - Development of Higher Level Skills Capacity (apprenticeship) worth £450k to open in summer 2017
 - Retraining for a Fuller Working Life worth £1m to open in summer 2017
 - STEM skills worth £500k to open in summer 2017

3. **European Regional Development Fund (ERDF)**

- 3.1. We have several applications currently going through assessment with the Managing Authority. This includes both Outline and Full Applications with a total value of just under £10.5million, 54% of the total allocation.
- 3.2. In addition, we launched our Internationalisation Specification on the 16th March. This has a total ERDF value of £1million. It was launched on a rolling call basis with review points throughout the year with a final closing date of 12th January 2018. To support this Call, we held an Information Event on the 13th April in Farnborough. We had 18 delegates attend with presentations from the Technical Assistance team and Rob Lewtas from the Department of International Trade South East. The event was chaired by Enterprise M3 Board Member, Andrew Lambert.
- 3.3. Furthermore, we have one specification that was ready to be published in May which will be aimed at supporting **a high growth SMEs scale up programme**. This Call has been delayed as explained above. 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** 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. In addition to the four projects that were contracted under the First Round of EAFRD funding, we now have the next round of Calls open as follows:
 - Tourism infrastructure - £826,000
 - Food and Drink Processing - £826,000
 - Rural Business Development Grant - £174,000
- 4.2. They will remain open until 31st January 2018 with points of review during that time. We held a successful joint DEFRA/LEP Launch event on the 20th March in Farnborough. This event was attended by 30 participants and introduced the latest funding opportunities available under both EAFRD and LEADER programmes. The programme of event included presentations of the LEADER grants and the three Calls above. One to One surgeries with the Managing Authority were then offered to rural businesses. The event was fully funded under Technical Assistance budget secured by Enterprise M3 earlier in the year through DEFRA. We are getting regular enquiries from interested rural businesses.

5. **Funding**

- 5.1. **Funding was set aside 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. We are currently compiling the next claims for both ESF and ERDF which cover expenditure incurred between January and March 2017.**

6. **ESIF Committee**

- 6.1. The next ESIF Committee has been scheduled on 5th July 2017.

Kathy Vuillaume/Jennie Pell

15th May 2017