

Enterprise M3 Board

25 January 2018

EU Programme Update - Item 16

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

1. General Update

- 1.1. The last ERDF call is announced to be around March/April 2018 to allow time for projects to be contracted before the Brexit date. We are considering actions that the LEP could take to ensure all remaining projects are taken forward if no projects are received against the current ERDF open calls by the January deadline. We may wish to intervene and to lead on some of these areas directly ourselves, although we will need to consider our ability to provide matched funding. There are potentially three ERDF projects areas that LEP could lead on adding value to our current activities: Internationalisation £1m, Access to Finance £500K and Digital Growth (Broadband) £1.3m. Any proposed approach will be brought to PMG and Board.
- 1.2. To date:
 - 85% of our ERDF allocation is published, 25.7% contracted, 11% in the pipeline and 38% of live specifications.
 - 38% of our ESF allocation has been committed to procurement, 33% contracted, 7% in the pipeline.
- 1.3. The remaining of our EAFRD allocation has been agreed to put across the current 3 open calls bringing to 100% to be published, 14% projects contracted, 16% in the pipeline.
- 1.4. We have been successful in securing event support funding to run two more EAFRD events for our area, through DEFRA. We shall do everything we can to further promote this fund through local events and social media, however, there is a high possibility that we won't commit all the EAFRD funds before May 2018.
- 1.5. We hosted the 2nd ESIF Practitioner Network meeting on 7th December where all the partners shared some best practice and case studies, demonstrating that the outputs are starting to make positive differences to people's lives and local economy. The Growth Hub was invited to increase synergy.

2. European Social Fund (ESF)

- 2.1. We have four ESF contracts in delivery and two applications in support of Digital Skills through assessment.
- 2.2. The next ESF direct call specifications have been delayed for: Construction Skills for the unemployed worth £1m; Development of Higher Level Skills Capacity (apprenticeship) worth £450k; Retraining for a Fuller Working Life worth £1m; and, STEM skills worth £500k.
- 2.3. In addition to the above, we still have £6.9m left of ESF specifications to draft and then procure, this will require significant time investment over the next few months.

3. European Regional Development Fund (ERDF)

- 3.1. Two competitive applications were received for our 'Business Scale Up Support Programme' one of which the LEP is involved as a partner.

- 3.2. Our multi- LEP specifications for a 'Digital Enabling Technologies Knowledge to Market Accelerator' £600k ERDF and a 'Quantum Supply Chain Initiative' £2.5k ERDF were published on the 8th December 2017. These took forward the work being undertaken as part of the Science and Innovation Audit. We hosted the launch event on 14th December chaired by Mike Short with over 50 delegates participating including some private sector business representatives and multi-LEP representatives that mirror the Innovation South geography.
- 3.3. We have republished our Access to Finance and 5G specifications under PA3 and Digital Support specifications under PA2 as both closed on the 31st October. Despite having applications submitted for both specifications neither project passed the Outline Assessment phase for different reasons. The 'Digital support' specification has been increased to a value of £1.3m to commit the remaining funding under PA2.
- 3.4. We are planning to allocate the remainder of our ERDF Allocation during the last call as follows. Life Sciences and Advanced Engineering, £1.1m ERDF, this call will also allow potential extension of current projects. Manufacturing Growth Service, £600k ERDF, part of a national call. Low Carbon £2.5m ERDF, this call will benefit from the Energy Audit recommendations. Finally, participate into a new national Export call, £500k ERDF.

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

- 4.1. Four projects were contracted under the First Round of EAFRD funding and there are four applications going through the assessment process under round 2.
- 4.2. We have increased the funding available under the Open Round of calls with the remaining of our allocation put under in Rural Business Development as part of the 'top-up' exercise:
 - Tourism infrastructure - £881,000
 - Food and Drink Processing - £881,000
 - Rural Business Development Grant - £2.07million
- 4.3. The final deadline for EoI has been pushed back to 31 May 2018. The two events planned across the Enterprise M3 area to generate more applications from rural businesses will be held in Guildford on 13 February and in Andover on 22 March. Lack of TA support and the high amount of bureaucracy has made EAFRD difficult to apply for but we will continue to promote these funds up to May.

5. **Funding**

- 5.1. We are in the process of submitting our quarter 4, 2017 claims for the ERDF Technical Assistance project and claim 3 ESF. The ERDF Partnership Agreement is signed by all parties. The ESF Partnership is pending.

6. **ESIF Committee**

- 6.1. The next ESIF Committee has been scheduled for 24th January 2018

Kathy Vuillaume/Susan George
18 January 2018