

Enterprise M3 Board Meeting

29 March 2018

EU Programme Update - Item 17

Members are asked:

- **To NOTE** the progress on the EU programme.
- **To AGREE that** Kathy Slack, Director Enterprise M3, takes on the responsibility of new Chair of the ESIF committee

1. Changes of ESIF membership (item for discussion)

- 1.1. The current chair of the ESIF Committee, Zoe Gray, has decided to step down as Chair from our ESIF committee because of new responsibilities and the committee is now looking for a new chair. The committee is beginning to see a number of representatives stepping back from the committee in the final years before Brexit. David Springer, the SME representative and FSB member has recently stepping down and we are seeking a further volunteer from FSB.
- 1.2. We have sounded out some members of the current board about taking on the chair's role and Kathy Slack has offered to take on the chair's role for consistency (Kathy has sat on the Committee since the beginning). The agreement of the full Committee will be sought at their next meeting on 25th April. PMG supported Kathy's appointment to Chair the ESIF Committee. **Board members are asked to agree to Kathy Slack taking on this role.**
- 1.3. The ESIF Programme has now been confirmed to run until the end (2014-2020) as Treasury has endorsed the Programme beyond the Brexit date of March 2019. This will allow us to spend all funding across the three funds ESF (Skills), ERDF (R&D/SME Competitiveness/Low Carbon) and EAFRD (Rural). In addition, it will allow better alignment of the remaining EU funding pots with the Industrial Strategy, SEP refresh and Energy Strategy.

2. General update

- 2.1. After the announcement of the guarantee by Treasury, the ERDF MA has already announced two more ERDF calls, one in October 2018 and one in March 2019. The process is still proving slow with at least 18 months between the call being published and issue of contracts. However, we are now developing a suite of programmes that support businesses and that match the priorities set out within our Strategic Economic Plan and Innovation South plans. All proposals for business are required to work with our Growth Hub.
- 2.2. To date:
 - 85% of our ERDF allocation is published, 25.7% contracted, 34% in the pipeline
 - 38% of our ESF allocation is published, 33% contracted, 4.8% in the pipeline.
 - 100% of EAFRD allocation is published with the remaining of our EAFRD allocation amount to be committed by 31/05/18, 14% projects contracted, 16% in the pipeline.

3. European Social Fund (ESF)

- 3.1. The ESF programme is progressing more slowly because of capacity issues and the next set of specifications have been delayed. We have four ESF contracts in delivery and have

recently put out two calls for digital skills and received two applications with one pulling out at stage 2. We shall need to re-issue the specification on 'Digital Skills for the unemployed' worth £400k ESF. We are working with the MA on speeding up the process.

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

- 4.1. We are well advanced in publicising our calls and receiving applications. Two competitive applications were received for our '**Business Scale Up Support Programme**'. The LEP is involved as partner in one of these bids and the lead partner has been invited to proceed to full application stage.
- 4.2. One application was received for our "**Quantum Supply Chain Initiative**" £2.5m ERDF following the launch event on the 14th December 2017.
- 4.3. Four specifications were published on the 2nd March with a launch on 15th March held in Basingstoke for:
 - **Manufacturing Growth Service** specification worth £600k – Part of National call
 - Department for International Trade National **Export** specification worth £500k – Part of National call
 - **Knowledge to Market Accelerator** specification worth £600k - multi-LEP call- re-issued
 - **Low Carbon** specification worth £1.5M

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

- 5.1. Four projects were contracted under the First Round of EAFRD funding and there are four applications going through the assessment process under round 2.
- 5.2. The final deadline for the next round is 31st May 2018. We hosted two Rural Funding events to generate more applications from rural businesses, one in Guildford on 13 February which was attended by 11 businesses and another event in Andover on 22 March which attracted 28 businesses. Interest is raising slightly towards the end of the programming period.
- 5.3. We have been approached by the LEADERS' groups in our area to see if any underspent from EAFRD could be transferred to them. We are in discussion with the Managing Authority.

6. **Funding**

- 6.1. We have submitted our quarter 4, 2017 payment claims for the ERDF Technical Assistance project and claim 3 ESF is in the process of being submitted. The ERDF Partnership Agreement is signed by all parties. The ESF Partnership is pending signature by Surrey County Council.

7. **ESIF Committee**

- 7.1. The next ESIF Committee has been scheduled for 25th April 2018.

Kathy Vuillaume/Susan George
15th March 2018