

**Enterprise M3 Board Meeting
28 January 2016**

EU Programme Update – Item 14

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

1. EU Programme Update

- 1.1. **ESIF Strategy Refresh:** All LEPs are required to refresh their strategies to reflect changes in financial allocations and outputs targets resulting from government to ensure that the total of the 39 LEP strategies deliver the Operational Plan agreed by government with the European Commission. The new deadline for submission of ESIF refresh to Central Government has been extended to 5 February 2016
- 1.2. An updated version of the ESIF Strategy was considered by the European Management Group (EMG) on 19th November. The EMG agreed the revised strategy subject to changes in the wording around targets to ensure government were clear on what we proposed to deliver.
- 1.3. We received our confirmed financial allocations for both ESF and ERDF and are awaiting for the outputs targets to be issued

2. Update on European Regional Development Fund (ERDF)

- 2.1. First Call ERDF - We are still waiting for the MA to announce the successful applicants for the IT Digital Network, the Access to Finance Project and Digital Growth Project in the New Year. If available, a verbal update will be provided at the Board meeting
- 2.2. Second Call ERDF – The one application received against the Innovate2succeed specs for innovation support for business worth £500k was invited to proceed to second stage full application. The one application received against the UKTI national call for additional support for exporting (ex-ERDF Opt-in) worth £600k for Enterprise M3 area was invited to process to second stage full application. The committee gave a set of recommendations on both outline proposals.
- 2.3. Third call ERDF - Two ERDF calls opened on 11th December and are closing on 29 January 2016. One call worth £1m in support of Wood Fuel activities. The second call is worth £2.7m in support of integrated and collaborative approach for business innovation.

3. Update on European Social Fund (ESF)

- 3.1. SFA Opt-in – Due to the progress of the devolution agenda The Skills Funding Agency (SFA) have had to revise their opt-on offer. They have agreed to support projects until March 2018, when they expect the Adult Education Budget (AEB) to be devolved to local areas. This has meant that the SFA require all ESF procurement to be underway by 31 March 2016 for completion in September 2016. We have prepared a range of specifications to be tendered through SFA procurement. These specifications will cover:
 - Employer centred employability & basic skills worth £750,000
 - Employer led vocational pathways towards Higher Skills worth £750,000

- Employer Led Vocational pathways for redundancy support worth £500,000
- Employer led vocational pathways for the unemployed worth £1,000,000
- Enhanced Information, Advice and Guidance worth £500,000

3.2. Big Lottery Opt-in – We specified two projects under the Big Lottery Fund’s opt-in offer - skills to support individuals to start up or engage with social enterprise (Social Enterprise) and skills to move social excluded individuals closer to the job market (Social Inclusion). The Social Enterprise project received five applications at stage one and one applicant has been invited to proceed to second stage full application. The Social Inclusion project received three applications. The assessment of these applications did not identify a strong enough bid to move to second stage. The reasons identified were inadequate delivery plans and weak outcomes. We are working with Big Lottery to rework and reissue this project specification.

3.3. DWP opt-in - The timetable with DWP opt-in is not confirmed yet. Further discussions are taking place between the Heathrow Academy and the 3 LEPs involved. Enterprise M3 LEP is looking at investing £168,750 out of the total of £1,687,500 in the Heathrow Academy which will support the retraining of unemployed people to secure jobs associated with the airport.

4. **Update on European Agriculture Fund for Rural development (EAFRD)**

4.1. The 3 EAFRD specifications for Enterprise M3 closed on 8 January 2016

- **SME business development grant** (from £50,000 up to approximately £140,000) for micro and small businesses in rural areas.
- Support investments in new or existing **visitor attractions**. Grant (from £50,000 up to approximately £140,000).
- Support for micro, small and medium-sized businesses seeking to expand and create jobs in the **food processing sector** (from £50,000 to £250,000)

There were 11 applications received across the three specifications. These are now being appraised by DEFRA and will be available for review by the European Management Group in early March.

5. **Technical Assistance (TA)**

5.1. We have submitted our two Technical Assistance full application bids for Enterprise M3 LEP area for the period until December 2018. These bids will provide funding for staff and events to promote and help partners apply for EU funds. The total project cost for ESF TA is £297,330 and for ERDF is £357,748 with the 50% match provided by Hampshire CC, Surrey CC, Basingstoke and Deane (ERDF only), ALPs (ESF only) and Enterprise M3. The match-funding for Enterprise M3 is made of existing staff plus a new ERDF liaison post. A sub group of Board members approved £93,418 to be set aside from reserves to underwrite cash flow for this post until claims are paid. We are expecting a decision on both TAs in the New Year.

6. **European Management Group**

6.1. We voiced joint concerns via the LEP network about the considerable delays of implementation of the ESIF programme. We are undertaking some work to document these for each of the funding streams and will continue to put pressure on the respective MAs. The next EMG meeting will take place on 8 March 2016

Kathy Vuillaume
30 December 2015