

**Enterprise M3 Board Meeting**  
**29 November 2016**  
**EU Programme Update – Item 16**

**PMG members are asked to NOTE** the progress on the EU programme.

We have received confirmation that projects signed before we leave the EU will be guaranteed for their lifetime, even if the project runs beyond point of exit.

However, there is a new requirement that projects will only be signed off if they show “value for money” and demonstrate links to “domestic priorities”. Colleagues at DCLG are currently assessing what this will mean in reality, and how it might affect future Calls and the Decision Making process.

We have provided an update in annex 1 on the **position of all calls that have been made** and the status of successful projects.

- **ESF:** We now have three projects contracted. Two contracts have been signed under the SFA opt-in and one under the Big Lottery Fund opt-in. The ESF Digital Specification was approved at the October ESIF Committee. We plan to have this published in January 2017 combined with an event for potential applicants.
- **ERDF:** There is still a pause on issuing any new ERDF calls, however we have three ERDF specifications ready to be published once DCLG re-open the Calls window.
- **EAFRD:** Five Full Applications are currently being assessed by DEFRA with final funding decisions due at the end of November. We are expecting the next Calls to be issued at the end of November. They will remain open for a year with points of review.

**Resource Considerations**

Jennie Pell has been seconded from the Economic Development team at Hampshire County Council to cover the ERDF TA role.

## Appendix 1: Update on Calls and Projects

### Update on European Regional Development Fund (ERDF)

- **Digital Business Acceleration Hub**, application from University of Surrey for £1.2 m. The Grant Funding Agreement (GFA) has been signed and the project will be launched imminently. The University of Surrey will have a stand at the EM3 Conference to promote the project.
- **Innovate to Succeed** by Oxford Innovation Services limited. £500k. The ESIF committee gave positive strategy advice on 15<sup>th</sup> June. This should now move to contracting phase and is still expected to be signed prior the Autumn statement. This project has proceeded at risk and is already providing impact reports.
- EM3 Innovation Support Programme, application from University of Southampton worth £2.7m. The Full Application was assessed and Quality Assured by DCLG which resulted in some revisions required - the Full Application has now been submitted.
- **South East International Business Growth** for additional support for exporting This project is worth £600k for Enterprise M3 area. The Revised Full Application has been submitted to government following feedback arising from the Quality Audit. It was presented to the ESIF committee on 10<sup>th</sup> October who confirmed its strategic fit. Its strategic fit has been approved at all five LEP ESIF Committees. The project was approved, subject to further checks on issues arising from the final Quality Assurance process checks.
- **Woodfuel supply chain and market** worth £548k. Surrey County Council had been invited to submit a full application by 29 September. However, the application was not submitted and it is our understanding that the application has been withdrawn. Therefore, we will seek to have this Call will be re-issued as per the ESIF Committee recommendation.
- **Emphasis3 (CO Reductions)** is the project led by the University of Portsmouth which passed the Gateway Stage under the Low Carbon Call which closed in June. It came to the ESIF Committee on the 10th October where its Strategic Fit was confirmed. It is undergoing significant revisions to ensure that it is compliant so that DCLG can approve it to progress to Full Application stage.
- There are 3 ERDF specifications agreed by our ESIF committee and ready to be issued: the re-issuing of our 'access to finance' specifications worth £500k, 5G worth £4m and the digital sector specs worth 1.2m.
- ERDF Technical Assistance (TA): Our Grant Funding Agreement has been received and needs to be signed before 1<sup>st</sup> December 2016.

### Update on European Social Fund

- 26% of the ESF allocation has now been contracted.
- SFA Opt-in –
  - The first contract is with Skills Training UK and covers the following work strands;
    - Employer centered employability & basic skills worth £0.75
    - Employer led vocational pathways for the unemployed worth £1m
  - The second contract is with Sparsholt College who are leading a consortium to deliver;
    - Employer led vocational pathways towards higher skills worth £0.75m
    - Employer led vocational pathways for redundancy worth £0.5m
    - Information advice and guidance worth £0.5m

- Big Lottery Funding Opt-in (BLF): The two projects being procured through the Big Lottery Fund, social enterprise and social inclusion, are progressing as follows:
  - Social Enterprise – this contract has been signed and the project, led by WSX Enterprise, is due to launch on the 23<sup>rd</sup> November.
  - Social Inclusion – One application has been approved to go to the second stage. The earliest project start date is March/April 2017 but may be the Summer 2017 depending on when the applicant submits the second stage application.
- Direct call for Digital skills: An £800k specification was approved at the ESIF Committee on the 10th October. We intend to launch this Call in January 2017 and run an event for potential applicants.

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

- The first three EAFRD specifications for Enterprise M3 closed on 08/01/16. 11 applications were received 7 projects were invited by DEFRA to proceed to full applications:
  - Hambledon Wineries Ltd for a new tourism and visitor centre facilities
  - T. Hilling and Co Ltd T/A for Chobham Adventure Farm Park
  - G Horn and Sons for an office conversion
  - Artisan Farm Limited for Goats Cheese Dairy
  - Whitewater Potatoes Limited for Freefolk Distillery
  - BrushBaby Ltd for an E-Commerce NPD Project
  - Hambledon Wineries Limited for a New Wine Cellar and Capacity Expansion
- Of these seven, two projects have since withdrawn their applications. One application is at the Quality Control stage and the remaining four are being appraised. The final decisions are due at the end of November.
- Future calls: The next EAFRD call will be open in late November. It is intended to issue similar specifications as in the first call and to allocate the remaining of the money.

### **ESIF Committee**

The next ESIF Committee has not yet been scheduled.

Jennie Pell  
7 November 2016