

Enterprise M3 Programme Management Group

5 July 2018

EU Programme Update - Item 8

Members are asked:

- To **NOTE** the progress on the EU programme.

1. General Update .

- 1.1. The last EAFRD calls closed on 31 May. We saw a significant increase in Expression of Interests received towards the end reflecting also the national picture. We have 28 projects currently in assessment representing 163% of our national allocation. One single tourism project is worth £2.5m on its own. Without this large project, we are still 10% overcommitted, which is a healthy position. We are likely to spend our entire EAFRD allocation.
- 1.2. We prepared an action plan to support underperforming ERDF projects so as to push spend and ramp up delivery.
- 1.3. To date:
 - 85% of our ERDF allocation is published, 25.7% contracted, 57% in the pipeline, 5.7% ERDF spent. We are unlikely to hit our N+3 target.
 - 38% of our ESF allocation is published, 32% contracted, 7% in the pipeline, 8.5% ESF spent. We are unlikely to hit our N+3 target.
 - 100% of EAFRD allocation is published, 14% projects contracted, 163% in the pipeline, 6% EAFRD spent
- 1.4 The next ESIF Committee meeting, chaired by Kathy Slack is on 16 July 2018 in Winchester. We are revisiting the format of these committees to give more emphasis to project assessments and discussion.
- 1.5 A formal consultation on the new UK Shared Prosperity Fund is announced for the Autumn.

2. European Social Fund (ESF)

- 2.1. The next round of direct ESF calls open the week commencing 09/07 for 12 weeks. We have an ESF specifications launch event planned for 19 July in Farnborough to launch £2.5m ESF to include: **'Constructions skills for the unemployed'** - £1m ESF, **'STEM skills'** - £500,000 ESF and **'Retraining for a Fuller Working Life'** - £1m ESF. We also requested to re-issue **'Digital Skills for the unemployed'** -worth £800k ESF.
- 2.2. Opt-in organisations update - we have 2 more opt-in offers under consideration with DWP for:
 - **'Financial/digital inclusion'** - £761,895, **Supporting multiple & complex needs'** - £711,895 and **'Barriers to employment in rural areas'** - £500,000.and with ESFA for:
 - **'NEET prevention, participation and preparation'** - £1,032,319

2.3 BFL has just informed us of the possibility of extensions allowed to running projects. We shall explore this option with our contracted ESF/BFL projects. Final decision expected in September.

3. European Regional Development Fund (ERDF)

3.1 The next round of ERDF calls will open on 5 October where we will launch £6.1m ERDF specifications in Life Sciences, Digital Growth, Access to Finance, Internationalisation, Low Carbon Energy and a Knowledge the Market Accelerator.

3.2 We are currently drafting the new Energy/Low Carbon call based on the outcome of the tri-LEP Energy strategy. Timelines are aligned.

3.3 We ran the 4th Practitioner Network meeting on 6 June where partners were informed about the summative assessment plan. A speaker from MHCLG attended and 1.2.1 session were offered in the afternoon providing guidance.

4. European Agricultural Fund for Rural Development (EAFRD)

4.1. The final deadline for receiving Expressions of Interest was on 31 May 2018. This quarter we followed up on the leads generated by the two events organised in Guildford and Andover which really paid off as we received 19 new applications at closure of call, totaling £5.2m grant requested.

4.2. The EAFRD timetable differs from the other two funds, as all projects must get contracted before the Brexit date and the implementation completed by 31 December 2020.

5. Funding

5.1. We are preparing our quarter 2, 2018 payment claim for the ERDF Technical Assistance project worth £9,250 (forecast grant) which will be submitted by the 27 July 2018 deadline.

5.2. We have had our quarter 2, 2018 payment claim for ERDF Technical Assistance project certified on 26 June for payment worth £10,691.86 grant.

5.3. We will complete the Summative Assessment plan for the ERDF TA project by August in line with project guidelines. We are working with partners at Hampshire County Council with independent evaluation expertise. The time spent on this will help with HCC's project underspend.

5.4. We submitted an outline application for the extension of the current ERDF TA contract on 20 April involving the same partnership. We are seeking an additional budget for 2 years taking us to the end of the programming period to retain current staffing.

5.5. We are in the process of submitting the next ESF claim worth £8,284.50 grant of one year of expenditure. Once done, we shall apply for an extension to the ESF TA project via the mechanism of project change request for an initial period of 18 months without additional budget.

Kathy Vuillaume/Susan George
26 June 2018