

Enterprise M3 Programme Management Group

12 September 2019

EU Programme Update - Item 8

To NOTE the progress on the EU programme.

1. General Update

- 1.1. The previous Government gave a Treasury Guarantee to the European Structural and Investment Fund (ESIF) Programme post the EU referendum. This meant that this EU funding pot worth €45.6m (approx. £42m) comprising of ERDF, ESF and EAFRD in the Enterprise M3 LEP area is guaranteed to the end delivery date of December 2023. This guarantee was confirmed again by the Managing Authorities on 1 August 2019.
- 1.2. We have published the ERDF & ESF videos that promote the fact that the EU funding is guaranteed beyond Brexit and highlight case studies. These were published in July on our YouTube channel, on our website and within our external newsletter and are shared with partners to embed on partners' websites. MHCLG praised us for our promotional videos, stating they are very good, very clear and professionally done. They particularly liked the ERDF Innovate 2 Succeed case study video.
- 1.3. We have invited project managers from our contracted ERDF and ESF projects to our next ESIF Practitioners Network meeting on 13th September to share best practice and updates on projects.
- 1.4. The current round of ERDF calls opened on 28 June 2019 and will close on 30 September 2019. LEPs are expected to tender the remaining of their allocation as after this call, any uncommitted budget will become part of the national reserve.
- 1.5. The next round of ESF calls opened mid-July in our LEP area with a simplified one-stage process and will close in October.
- 1.6. The Internationalisation ERDF project led by Enterprise M3 passed the outline stage. We are leading the development of the full application with partners to be submitted by 16 September 2019. Decision on approval is expected in Q1 2020 with delivery to start from 1 July 2020 for 3 years.

2. European Social Fund (ESF)

- 2.1. Taking into consideration the revised exchange rate, 52.8% of our ESF allocation is published including 30.8% contracted, 15.6% in the pipeline and 13.1% spent.
- 2.2. We had 29 participants at our ESF launch event on 30th July in Farnborough. We have received positive feedback following the event and we been providing technical assistance to potential applicants. We are hosting an ESF Partnership Workshop on 1st October in Basingstoke to provide follow-up support for organisations to finalise applications, share project ideas and search for partners for our 3 open ESF specifications for:
 - Social Inclusion worth £1.31m ESF
 - Virtual reality and online support learning worth £2.1m ESF
 - Brokerage of skills/Apprenticeship Hub worth £1.37m ESF
- 2.3. We are awaiting confirmation of a timetable for a Reserve Call for ESF.
- 2.4. We are working with DWP to release a 'Digital Skills for the unemployed' specification worth £400K ESF (re-issue) and a new specification for addressing 'In Work Poverty'.
- 2.5. Following the submission of our project change request, we have received our funding agreement variation confirming the extension of our ESF Technical Assistance Project with partners until the end of the programming period.

2.6 We have received payment of £24,644.13 for our ESF claims from the start of the project up to and including Q3 2018. Our payment claim for Q4 2018 is under verification for £3,420.59. Our Q1 and Q2 2019 claim is £8,370.14 which we will submit in October as an aggregated claim with Q3. We were asked to delay our Q1 and Q2 2019 claims submission due to the project change request process.

3 European Regional Development Fund (ERDF)

3.1 Taking into consideration the revised exchange rate, 97% of our ERDF allocation is published, 12.3% of applications are in process, 17.6% is contracted and 6.2% of ERDF has been spent.

3.2 We are hosting an ERDF Partnership Workshop at The Red Lion Hotel in Basingstoke on 11th September to provide follow up support to help applicants finalise their outline applications, share their ideas and search for partners for our current 4 open specifications for:

- R&D and Commercialisation Activities worth £5.1m ERDF
- Digital Growth worth £1.5m ERDF
- SME Growth worth £6.8m ERDF
- Low Carbon and Energy worth £2.7m. multi-LEP

3.3 We submitted a PCR (Project Change Request) for extending the ERDF Technical Assistance project until the end of the programming period. The value to Enterprise M3 is £125k for two years. We are awaiting final approval.

3.4 A Reserve Call for ERDF is expected in January 2020 for the National Reserve Fund.

3.5 We have been paid £13,579.38 in July for Q4 2019. We submitted our payment claim for Q1 2019 worth £14,178 in April and submitted our Q2 2019 payment claim in July for £15,629.75. These payments will be paid after validation and the completion of the documentation for the extension to our ERDF TA project. We will submit our Q3 payment claim in October.

4 European Agricultural Fund for Rural Development (EAFRD)

4.1 100% of our EM3 allocation has been published with 15.4% projects contracted, 10% spent, 140% over committed with the current pipeline. We expect some drop off from the 140% over committed pipeline but if all the pipeline projects are successful we could benefit from the Reserve Fund call from uncommitted funding from other LEPs.

4.2 Consultations are taking place between RDPE and LEPs to organise a Reserve Fund call for EAFRD towards the end of September. All three priorities will re-open for EM3 '*Business Development*', '*Food Production*' and '*Tourism Infrastructure*'. Our level of over-commitment will allow our area to access more EAFRD money from other underspending regions.

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28th August 2019