

**Enterprise M3 Board**

**30 January 2020**

**EU Programme Update - Item 19**

Programme Management Group members are asked to **NOTE** the progress on the EU programme.

**1. General Update**

- 1.1. The 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 and is still valid.
- 1.2. Reserve Funding calls are in preparation with EAFRD already opened on 4 November 2019 and closing on 16 February 2020. ESF opened in December and ERDF is due to open in February 2020. The Commission informed the Managing Authority that they are able to contract projects beyond December 2020 so we may have several rounds of new calls under the Reserve funding pots until all funding is allocated.
- 1.3. Seven out of the eleven ERDF applications passed the outline stage and these projects were recommended by the ESIF Sub Committee meeting on 14 November 2019. We are providing technical assistance to these projects at full application stage.
- 1.4. We ran an ESIF Practitioner Network meeting on 3<sup>rd</sup> December on the topic of 'compliance and audit' attended by Project Managers of both ERDF and ESF contracted projects. The training session was led by a senior expert from MHCLG.
- 1.5. There is £183,721 remaining from the previous European programming period which has been agreed to come to the LEP in January. The money can be spent on any 'business support initiatives in the spirit of ERDF'. Work is underway as part of the budget setting process for 2020/21 to identify how this funding might be used.

**2. European Social Fund (ESF)**

- 2.1. Taking into consideration the revised exchange rate, 86.2% of our ESF allocation is published including 36.2% contracted, 28.8% in the pipeline and 14.7% spent.
- 2.3 Informed by the consultation event run at the end of the year, we submitted 3 new ESF specifications to DWP ready for publication under the ESF Reserve Funding Pot for:
  - Skills for the 60+ workforce in the Enterprise M3 Area worth £1.5M under priority 1.1
  - NEET worth £1.5m ESF under priority 1.2
  - Community Grants Programme £1.5m ESF under priority 1.4.Additional specifications are in preparation.
- 2.4 Depending on final outcome of pipeline, we are likely to have approx. £1.3m ESF to move to the ESF Reserve Funding pot.
- 2.5 We had 11 attendees from organisations at our ESF Digital Skills Launch and Partnering event on 16 January 2020 at the Red Lion Hotel in Basingstoke to support the next direct call 'Digital Skills for the Unemployed' worth £1.5m which opened mid-November and will close on 11 February 2020.
- 2.6 Our ESF Technical Assistance Q1, Q2 and Q3 2019 aggregated ESF payment claim in October for £13,495.67 has been approved for payment.

### **3. European Regional Development Fund (ERDF)**

- 3.1 Taking into consideration the revised exchange rate, 100% of our ERDF allocation is published, 38% of applications are in process, 20% is contracted and 6.% of ERDF has been spent.
- 3.2 The list of the 7 ERDF projects invited to progress to full application with submission dates staged from January to March 2020 include the following :
- Elation lead by Centre for Process Innovation worth £546k
  - Digital Growth Factory lead by Basingstoke and Deane Borough Council worth £1.5m
  - SME growth toolkit led by SME Wholesale Finance worth £500k
  - Manufacturing Growth Programme Extension lead by Oxford Innovation Services multi-LEP worth £300k
  - The South Internationalisation Fund led by DIT multi-LEP worth £750k
  - SE Gateway to Trade led by Newable multi-LEP worth £400k
  - Low Carbon Across the South East (LoCASE) lead by Kent County Council multi-LEP worth £2.7m
- 3.3 Depending on the final outcome from the pipeline, we are going to have approx. £7m to move from our notional allocation into the ERDF Reserve Funding call.
- 3.4 We submitted a PCR (Project Change Request) for extending the ERDF Technical Assistance project until the end of the programming period (March 2021). The value to Enterprise M3 is £125k for two years. We are awaiting final approval.
- 3.5 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. We submitted our Q3 2019 ERDF payment claim in October for £12,218.39. These payments will be paid after validation and the completion of the documentation for the extension to our ERDF TA project.

### **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. From the 110% overcommitted we had some drop off rate and there is currently approx. £2.8m that will be moved to the EAFRD Reserve Funding call. Nationally, the programme had about 40% drop off rate.
- 4.2 The Reserve Fund call for EAFRD was announced in October 2019 of £35m with a minimum size of project reduced from £35k to £20k with a 40% intervention rate for capital funding only. All three priorities re-opened on 4 November for EM3 '*Business Development*', '*Food Production*' and '*Tourism Infrastructure*'.
- 4.3 Around 25 rural businesses attended our EAFRD Rural Funding Event on 14 January 2020 at Test Valley Council Offices in Andover. The outline applications deadline is midnight on 16 February 2020.

*Kathy Vuillaume/Susan George*  
*16 January 2020*