

Enterprise M3 Board

26 November 2020

EU Programme Update - Item 15

Board members are asked to **NOTE** the progress on the EU Programme.

1 General Update

- 1.2 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. The Commission informed the Managing Authorities that they are able to contract projects beyond December 2020.
- 1.3 On 15th September we opened the ERDF kickstart SME grants programme for the Visitor Economy and wider SME community for Enterprise M3, Thames Valley Berkshire and Coast to Capital LEPs and Growth Hubs. We received 300 expressions of interest between the 3 LEPs in a few minutes. Exemplas Ltd, our ERDF grants processors have sent out full application forms to all SMEs. After completing the due diligence and compliance checks we committed 97% of our funding in the wider economy and 46% in the visitor economy after the first round in EM3. We are going to reopen the calls on 26th November for one week for the remaining funds which in the EM3 area is just over £70K for the visitor economy only.
- 1.4 We have been invited to submit an additional business case in support of 'Green Skills' under the ESF Reserve funding pot. We shall be shaping the new specification with contributions from stakeholders.

2 European Social Fund (ESF)

- 2.1 Taking into consideration the revised exchange rate, 86.2% of our ESF allocation is published including 47.5% contracted, 0% in the pipeline and 14.7% spent.
- 2.2 Two new ESF projects are contracted and started delivery from 1 October for 3 years with:
 - '*Apprenticeship & skills hub*' worth £1.5M ESF, led by Hampshire County Council involving ALPHI, ALPS, Surrey Chamber of Commerce, FSB, University of Winchester, University of Surrey, EM3 Growth Hub, Basingstoke and Deane Borough Council, Rushmoor Borough Council, Surrey Employment & Skills Board. The new Hub will provide an impartial service to support SMEs and other employers to identify and source apprenticeships at all levels provision to help them develop their workforce to improve productivity and reduce skills gaps. The target is to reach out to 360 SMEs, with 270 employers successfully completing projects which increase employer engagement and the number of people progressing into or within skills provision.
 - '*Technical construction skills for the unemployed*' worth £1M ESF, led by Hampshire County Council will deliver a training programme working in collaboration with employers and training partners to offer courses across the EM3 for the immediate skills gaps in the construction sector. The target is to provide additional support for industry employers to create minimum of 1450 training/retraining opportunities.
- 2.3 We ran an ESF consultation mid-September to inform the development of five business cases submitted to the MA for accessing remaining funds under the ESF Reserve Funding pot. We received approval for two new specifications for a 'Community Grants Programme' worth £1.5m and 'Skills support for employment for armed forced veterans and their families in Enterprise M3' worth £1.5m ESF. These shall be worked up into full specifications with the involvement of partners and then progress through the ESIF committee.

- 2.4 The Managing Authority is working to approve our project change request to decommit some of the ESF funding due to substantial savings made on the delivery of our ESF Technical Assistance project. They also requested that we aggregate our Q4 2019 to Q3 2020 payment claim for our ESF Technical Assistance project to take advantage of a newly simplified payment claim process for ESF technical assistance projects.
- 2.5 On 29th October the Managing Authority conducted the annual audit review of our ESF TA project via a videoconference. We have been advised that this project will be subject to an audit in the near future.
- 2.6 We produced 4 case studies of our contracted ESF projects that will feature in the national ESF booklet

3. European Regional Development Fund (ERDF)

- 3.1 Taking into consideration the revised exchange rate, 100% of our ERDF allocation is published, 34% of applications are in process, 18% is contracted and 6% of ERDF has been spent.
- 3.2 The 6 ERDF projects that most recently submitted a full application going through appraisal process are:
 - 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 We have completed final outputs for our ERDF Technical Assistance project which includes the creation of two further case study videos, one for the Manufacturing Growth Programme and one for the Emphasis 3 low carbon project. The Hampshire County Council Insight and Engagement Unit team have also completed an independent evaluation of this project and the final Summative Assessment has been published.

4 European Agricultural Fund for Rural Development (EAFRD).

- 4.1 100% of our EM3 allocation has been published with 15.4% projects contracted and 10% spent.
- 4.2 From the last EAFRD Reserve Fund call with £35m, we received 39 applications in our area only. 31 applications have been passed the gateway assessment and been invited to submit full application. Covid 19 had an impact on rural businesses and not all EAFRD pipeline projects may make it. Nationally, there is a high dropout rate. If all go through in our area, this will represent £3,771,156 of EAFRD funding to enable rural business development in the EM3 area and unlock a further £4,968,610 of private investment.

Kathy Vuillaume/Susan George
19 November 2020