

Enterprise M3 Board

28 January 2021

EU Programme Update - Item 16

Board 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. The Commission informed the Managing Authorities that they are able to contract projects beyond December 2020.
- 1.2. On 15th September 2019, 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. Exemplas Ltd, our ERDF grants processors, have received 69 grant applications worth £243,379 from the wider SME economy and 23 grant applications worth £84,027 from the visitor SME economy with over half the grants paid out. The wider economy element is on track to be fully spent whilst the visitor economy call will remain open until 22nd January to ensure the remaining 10 grants available are granted in the EM3 area.
- 1.3. We have been invited by DWP to submit the top 5 priorities for EM3 on where best to invest the ESF reserve funds to help with economic recovery activities for our LEP area. We submitted our response based on our Revive and Renew and Skills Action Plans and recent ESF consultation. The aim is to ensure that all ESF reserve funds are committed by the end of September this year, meaning that all calls have to be agreed and published before the end of April.

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 The two new ESF projects contracted and started delivery for 3 years are:
 - ‘*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 In December, we submitted two new specifications to the Managing Authority under the ESF Reserve Funding for £1.5M ESF ‘*Community Grant Programme in EM3*’ and £1.5m ESF for ‘*Skills support for employment for armed forced veterans and their families in EM3*’. We are

waiting for a decision.

- 2.4 The Managing Authority has officially approved our request for extension of our Technical Assistance until March 2021 so we shall be able to support the launch of new calls under the ESF Reserve Funding pot.
- 2.5 We have procured Ross Young Photography to create further case study videos for successful ESF projects contracted in the EM3 area to be published by March 2021.

3. European Regional Development Fund (ERDF)

- 3.1 Taking into consideration the revised exchange rate, 100% of our ERDF allocation is published, 10% of applications are in process, 35% is contracted and 21% of ERDF has been spent.
- 3.2 Four new ERDF projects have been granted and are starting delivery with:
 - Manufacturing Growth Programme Extension lead by Oxford Innovation Services multi-LEP worth £300k
 - The South Internationalisation Fund led by DIT multi-LEP worth £750k offering grants to SMEs to support export and marketing plans
 - SE Gateway to Trade led by Newable multi-LEP worth £400k
 - Low Carbon Across the South East (LoCASE) led by Kent County Council worth £2.7m, multi-LEP offering grant funding for low carbon initiatives
- 3.3 From the ERDF recent calls, there are 3 projects at full application stage and going through appraisal process with:
 - Digital Growth Factory lead by Basingstoke and Deane Borough Council worth £1.5m
 - SME growth toolkit led by SME Wholesale Finance worth £500k
 - E-taxi worth £700k
- 3.4 We have completed final outputs for our ERDF Technical Assistance project which closed on 30th September 2020 for activities and 31st December for financial completion. We will submit our final claim for the administration of the project closure in January 2021.

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 – 14 January 2021