

Enterprise M3 Board

25 March 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 15 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 sent out all the grant offer letters which total 39 offers to SMEs in the Visitor Economy worth £132,690 and 68 SMEs in the wider economy worth £233,591. Provided all the final outstanding claims are submitted by our SMEs, the grants will be fully allocated for EM3. MHCLG have approved an extension to this funding on an exceptional basis until June 2021 to enable time for SMEs to benefit and use the grant funding as COVID restrictions have added delays and challenges for them to spend the grant funding within the previous deadline. We will create some case studies over the next month.
- 1.3. DPW is planning to issue two new ESF calls in our area this month 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*'. These will be the last round of local ESF calls published by the MA. LEPs have been informed recently that past these commitments, any future and remaining funding will be given as a priority for the extensions of contracted and successful ESF projects as opposed to issuing new calls.

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. DPW will issue mid-March our planned specifications in support of £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*'.
- 2.3. The Managing Authority has officially approved our request for extension of our Technical Assistance until June 2021 so we shall be able to support the launch of the two new calls under the ESF Reserve Funding pot. Two networking events supported by our Technical Assistance Programme are in preparation planned on 21 April and 28 April, one for each call.
- 2.4. We are preparing for an audit that should take place on our ESF Technical Assistance Project before closure of the project June 2021
- 2.5. Ross Young Photography started the planning for the creation of further two case study videos on our ESF projects for promoting the '*EM3 Apprenticeship & skills hub*' project and the '*Fedcap Links to Work M3*' to be ready by 30 June 2021.
- 2.6. We have procured Amion Consulting to independently evaluate the ESF technical assistance project and to complete the summative assessment required by 30 April 2021.

European Regional Development Fund (ERDF)

- 2.7. 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.
- 2.8. From the latest ERDF call, 3 projects submitted their full application 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
- 2.9. We have completed final outputs for our ERDF Technical Assistance project which closed on 30 September 2020 for activities and 31 December for financial completion. We have submitted our final claim for the administration of the project closure in March 2021.

3. European Agricultural Fund for Rural Development (EAFRD)

- 3.1. 100% of our EM3 allocation has been published with 15.4% projects contracted and 10% spent.
- 3.2. 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 – 8 March 2021