

Coast to Capital Board Meeting No. 31 22 September 2016	Ref No. 31.14
Report Title: European Structural and Investment Funds Progress	
Report by: Kathy Vuillaume	
Presented by: Julie Kapsalis	
Recommendation The Board is requested to note the contents of this paper	

1- Impacts on ESIF following the EU Referendum result

1.1 A Treasury announcement was issued on 13 August stating that all ESIF projects with Grant Funding Agreements (GFA) in place prior to the Autumn Statement on 23 November will be fully funded, even if the delivery period of these projects continues beyond the UK's departure from the EU.

The Treasury will also put in place arrangements for assessing whether to guarantee funding for specific ESIF projects that might be signed after the Autumn Statement but whilst the UK remains a member of the EU. The Treasury will provide further details of these arrangements ahead of the Autumn Statement.

Stakeholders were kept informed through an article posted on the Coast to Capital website together with a link to the original statement.

1.2 In practice, we are already seeing different approaches taken by the Managing Authorities (MAs) in dealing with this uncertainty:

- For **ESF**: we have been invited to progress our ESF Digital Specifications that were discussed in draft form at our June ESIF committee. We expect to have our digital call issued before the Autumn Statement. We are also allowed to continue to develop our pipeline of calls and the ESF MA has stated that it is 'business as usual' with the preparation of calls, appraisal of applications and payment of claims. They will not be accelerating activity nor bringing forward or increase spending commitments artificially. A business case will need to be submitted to the Treasury in order to get future funding authorised. The ESF MA will be working closely with Treasury to set out arrangements for ESF Funding Agreements expected to be signed after the Autumn Statement and expect these to add focus on value for money and consistency with domestic priorities.
- For **ERDF**: There is still a pause on issuing any new ERDF calls and while we have four ERDF specifications ready we have not been authorised to move forward with them. We heard unofficially that a national exercise will take place this month to collect a 'wish list' from all the LEPs. Then Treasury will make a decision on whether new ERDF calls are allowed to progress. If the answer is positive, it is likely that only specific priorities might be declared open and probably through the mechanism of national calls (rather than LEP

specific). We are waiting for an official statement from the ERDF MA to confirm the above.

While the ERDF MA is progressing on our pipeline assessment and preparation of GFAs, we still do not have any ERDF projects contracted. **This is a major cause for concern.**

- For **EAFRD**: the MA confirmed that they are planning to carry on as per plan with the issuing the three expected Autumn calls on tourism, food processing and SME development. The three calls will remain open for a year with interim points of review.

2- Update on delivery progress

Coast to Capital Calls for European Regional Development Fund (ERDF) projects update and Technical Assistance activities

2.1 ERDF pipeline projects update;

"DRIVA" by University of Brighton - Priority Axis 1 - Project to engage CDIT SMEs in collaborative research with HEIs - £500,000 ERDF – the Full Application was submitted on 29 July. Waiting for GFA.

"BRAIN" by Sussex Innovation Centre – Priority Axis 1 - Innovation vouchers in priority sectors and technology futures - £600,000 ERDF – The full application was submitted on 29 July. Currently going under assessment.

"Care through Innovation" by University of Chichester – Priority Axis 1 - Innovation vouchers in priority sectors and technology futures - £500,000 ERDF – The full application was submitted on 29 July. Currently going under assessment.

"Export Asean" by GLE Enterprise – Priority Axis 3 - Enhancing the Competitiveness of SMEs - Improve business support for all stages of SME development & growth - £1,075,601 ERDF – Waiting for GFA.

"Cross-LEP International Trade" by GLE Enterprise – Priority Axis 3 - Enhancing the Competitiveness of SMEs - Improve business support for all stages of SME development & growth - £500,000 ERDF – Appraisal of Full Application is underway at DCLG.

"SWAT" by Surrey County Council – Priority Axis 4 - Supporting the shift towards a low carbon economy - Support for Wood fuel enterprises - £1,095,000 ERDF -The applicant has been invited to submit a full application by 29 September.

"Utilize Plus" by West Sussex Sustainable Business Partnership – Priority Axis 4 - Supporting the shift towards a low carbon economy – Promoting energy efficiency and renewable energy use in enterprises- £500 ERDF – The applicant passed the first stage. The debriefing meeting took place on 1 September. The applicant has been invited to submit a full application by 29 September.

"Low Carbon Innovation – Green Growth Platform " by University of Brighton – Priority Axis 4 - Supporting the shift towards a low carbon economy – £750 ERDF- The outline application is currently going through QA. Waiting to hear outcome.

2.2 There are four ERDF specifications agreed by our ESIF committee and ready to be issued: 'Business support' comprising five lots worth £6m, 'internationalisation' worth £750k, 'low carbon retrofitting' worth £1,2m and 'R&D brokerage service' worth £1m. We are currently lobbying the Managing Authority to try to get those ready specifications published.

2.3 We are organizing three ERDF consultation workshops this month to gather inputs from stakeholders on informing possible future calls: Digital

sector workshop on 13 September, Life sciences sector workshop on 15 September, Advanced manufacturing workshop on 20 September.

2.4 ERDF Technical Assistance (TA): The response to the last query on state aid has now been accepted by the Managing Authority. We are waiting for our GFA.

Coast to Capital Calls for European Social Fund (ESF) projects update and Technical Assistance activities

2.5 BIG Lottery Fund (BFL) officially announced the approval of nine social inclusion projects worth £4,8m. A press release was issued on those successful projects by C2C at the beginning of September. The successful projects are:

"Working Together for Work", led by Aspire Sussex, will support 216 unemployed adults in Sussex & Surrey to develop skills to enable them to support their children's learning at the same time as preparing themselves to join/re-join the workforce.

"East Surrey Pathway to Employment", led by the Raven Housing Trust, will provide intensive, targeted, wrap-around support for 135 unemployed adults facing housing insecurity in East Surrey to move closer to the job market or into work.

"Routes", led by Brighton & Hove Community Works, will use local, community based approaches to help 240 adults in the Brighton & Hove area to find work, including intensive internship placements and community learning opportunities.

"SEEK", led by The Platform, will support 45 unemployed adults in Brighton & Hove, West Sussex and Croydon to set up new social enterprises and to gain towards and into other employment opportunities.

"Local Learning Perspectives", led by Aspire Sussex, aims to deliver accessible community based support and engagement to 216 unemployed adults in East and West Sussex, Brighton & Hove and Croydon who are furthest from the workplace.

"Get Socially Active", led by Friends Centre, will support 80 unemployed adults in East Sussex and Brighton & Hove to work in an existing social enterprise or to set up their own social enterprise or to community group benefitting their local community.

"Make TRAX", led by Barnado's, will provide support to 360 young people in Croydon, West Sussex, and Brighton & Hove who are not in education, employment or training (NEET) and provide additional support to those at risk of becoming NEET.

"Croydon Health Employment Partnership", led by Croydon Voluntary Action, will support 270 Croydon-based unemployed adults with long term health problems and disabilities to improve their health and lifestyle and help them towards finding work.

"Inspiring the Working People of Tomorrow", led by British Legion Industries, will provide access to work tasters, placements and volunteering opportunities to 400 unemployed young adults in Surrey and Sussex.

2.6 The last BFL calls which closed on 16 May 2016 received an additional 15 applications against that call. The LEP Team completed the 15 outline

assessments on 24 June. These are now going through the BLF internal process. Waiting to hear the outcome.

2.7 BFL is organising a networking event with the nine projects already approved on 23 September which shall be attended by Coast to Capital and ESF TA partners.

2.8 DWP Opt-in: £1,3m under 'employability' closed on 15 June 2016. Four projects were received against the specifications and are currently going through assessment. Notifications to applicants are expected the week commencing 12 September 2016

2.9 The ESF MA invited us officially to proceed with our NEETs specification worth £1m ESF. Following the EU referendum result, the amount has been increased so as to issue the remaining available funding for that priority. We are currently liaising with the MA to finalise the details of the specification. It is expected to be issued the week commencing 24 September. We are planning an ESF NEETs dissemination event mid-October.

2.10 The ESF MA invited us officially to proceed with a Digital Skills Specifications with details of scope and budget still to be finalised and discussed at the next ESIF committee. There are current discussion on the possibility of issuing this specification across three LEPs involving also EM3 and TVB.

2.11 We responded to the last round of queries on our ESF TA. We are now waiting for GFA. Because of the possible impact of the EU referendum result, Coast to Capital paused on the recruitment of an ESF Project Manager, originally part of the TA application. We are going to face staffing issues on the development of the ESF pipeline of calls short-term.

Coast to Capital Area European Agricultural Fund for Rural Development (EAFRD)

2.13 From the first round of EAFRD call five projects are currently proceeding to full application. These full applications will be brought for strategic fit advice at the next steering committee.

2.14 Future calls: DEFRA has officially confirmed the intention to open three calls in September for SME development, tourism and food processing which fits well with our strategy for use of EAFRD. The intention is to allocate the remaining of the EAFRD allocation across these three calls. Only capital grants are being allowed. These calls will remain open for one year with interim points of review. The LEP has been asked to provide a strategic targeting statement on each of the calls. The key points will be as follows;

Food processing: We particularly wish to support our high-tech food production and horticulture sector as well as other food processing sectors e.g. micro-breweries and vineyards which are priorities for development of the rural economy

Business development: We will be targeting rural manufacturing companies for example, wood processing linked to sustainable construction as well as other sustainable manufacturing businesses in the rural area

Tourism infrastructure: This will support the implementation of destination management plans to support tourism in the rural area and in particular encourage the joining up of destinations e.g. the north and south downs, historic houses and gardens and activities such as active tourism (cycling, walking, sailing etc.)