

GFirst Local Enterprise Partnership

Board Paper – 25th April 2017

1. **Agenda Item 7** European Funding update – position at 28/03/2017

2. **What is this item for:**

To provide the Board with a summary of the European Funding programme

3. **Background:**

The current funding programme covers 2014-2020. GFirst's ESIF Strategy continues to be the main source document for implementation of the funding in Gloucestershire. The local ESIF committee (chaired by Adam) is well supported and functioning well in its role of commenting on strategy and advising on strategic fit and value for money. There has been satisfactory progress across all three funding streams (ERDF, ESF and EAFRD) The attached document provides a financial summary of the current position. The main focus to date is to get the contracts signed. Very few projects have been in delivery long enough to generate performance data. This is the focus of conversations with DCLG.

Brexit: Government has confirmed that projects that have signed contracts prior to Britain's exit from the EU in March 2019 will have their funding guaranteed. This provides welcome certainty. However, there are still a number of fundamental details that follow from this that are yet to be confirmed. This includes the ability to allow projects to extend beyond the 2020 end of programme date. As a result, there is considerable pressure to publish opportunities (calls) as soon as possible.

Following Pete Carr's change of role, there has been a change of personnel delivering GFirst's ESIF strategy. Mally Findlater is the ESIF lead, Pete Carr continues to have responsibility for ESF (skills funding) and Kate Hull has joined the team to provide ERDF technical support.

4. **Risks / Issues:**

ERDF: The contract for the Core Growth Hub activity (phase one) has now been signed. This process has taken longer than expected, which creates a challenge for the timing of the call for phase 2 activity. The LEP team is working with Sarah Danson to resolve this challenge. £1.6m has been provisionally allocated for this activity. A local Export call (£500K) will be published in May. This leaves an unallocated amount of £1.722m. The expectation is that this will be published in either one open call, or a number of targeted calls from July 2017. In the 'Low Carbon' strand there is now £1.2m available. The current plan is to publish a new call for this in May that will encourage applications for a minimum of £500K, with the expectation that this will result in two complementary projects. The 'environment' strand is now developing well following a slow start. It is likely that the residual funds will be allocated as a result of ongoing work with Gloucestershire Wildlife Trust.

ESF: This fund covers work on employability, social inclusion and skills/lifelong learning. The skills activity has been complex due to changes at the SFA and changes in the apprenticeship system. All skills projects have now been commissioned and all but one (the apprenticeship support programme) have been contracted and are delivering. Performance data and lessons learned reports will be made available via the SFA/ESFA and Pete Carr. The social inclusion (via Big Lottery) and employability (via DWP) 'first stage' projects have been contracted and are delivering and discussions are ongoing with the Managing Authority (DWP) to plan for what will follow these projects. In both these work streams, the intention was to review delivery of the 'stage one' projects before

commissioning investment in the 'stage two' projects. Brexit may make this impossible and we are working with DWP on what is now possible. This means there is a current underspend in ESF funding so the ESIF Committee will review this at its next meeting once a plan of action has been agreed with DWP and Big Lottery.

EAFRD: Broadband: £1m is allocated to Broadband in the county. At a national level this has been under question as an eligible activity, but this appears to be resolved, and we expect this to progress this year. Tourism: An early pipeline of projects failed to deliver the number of live projects expected. As a result only £200K has been allocated. A workshop on 5th April was attended by 70 people, which is expected to deliver a new pipeline of enquiries. If a strong pipeline of tourism-related projects does not materialize then the ESIF Committee will review this and reconsider a shift of the unused EAFRD rural tourism funding into rural business development and/or food and drink projects.

5. **Recommendations:**

The Board is asked to note the interim position.

6. **Further information:**

For further information points raised in this Board paper, please contact Mally Findlater mally.findlater@gfirstlep.com

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GFirst LEP					
European Structural and Investment Funds					
Summary 28/03/2017		NB Sterling amounts subject to variation due to exchange rate. Revalued every 6 months			
Summary					
	Euros	£	allocated	unallocated	
ERDF	19,580,395	15,272,708	9,401,844	5,870,864	(excludes TA)
ESF	18,539,715	14,460,977	9,795,023	4,665,954	
EAFRD		2,700,000	200,000	2,500,000	
Totals		32,433,685	19,396,867	13,036,818	
Fund ERDF					
	Total allocation in fund EUROS	Total allocation in fund £ at 0.78		Allocated to projects £	unallocated
TA			TA	289,580	
PA1 - Innovation	1,908,216	1,488,408	RAU IAI	550,000	
			UoG GRIP	850,002	88,406
PA2 - Broadband	363,488	283,521	Fastershire	250,000	33,521
PA3 - SME Competitiveness	9,092,659	7,092,274	Export for Growth	250,000	
			Manufacturing	414,302	
			GH Core	1,606,282	
			SaGE - Start up	478,210	
			GAIN - Coaching	492,579	
			local export call		500,000
			GH core (phase 2)		1,628,000
			Other business support		1,722,901
PA4 - low carbon	4,338,747	3,384,223	Severn Wye - Target 2020	2,181,969	
			Other		1,202,254
PA6 - Environment	3,877,285	3,024,282	at outline	2,328,500	
			other		695,782
Totals	19,580,395	15,272,708		9,401,844	5,870,864
Fund ESF					
	Total allocation in fund EUROS	Total allocation in fund £ at 0.78		Allocated to projects £	unallocated
Social Inclusion (Opt-in Big Lottery)	3,182,152	2,482,079	Social Inclusion	1,639,623	842,456
Skills SFA	11,756,287	9,169,903	Apprenticeship support	1,708,000	
			Entrepreneurial skills	1,023,200	
			Employment Pathfinder	770,000	
			STEM activity	859,950	
			Skills for Low Carbon	2,579,250	
			Other		2,229,503
Employment Opt-in DWP	3,601,276	2,808,995	General employment support	1,215,000	1,593,995
Totals	18,539,715	14,460,977		9,795,023	4,665,954
Fund EAFRD					
	Total allocation in fund EUROS	Total allocation in fund £ at 0.78		Allocated to projects £	unallocated
Broadband		1,000,000	unallocated		1,000,000
Rural Tourism		1,700,000	Contracted	200,000	
			unallocated		1,500,000
Totals		2,700,000		200,000	2,500,000