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Meeting & Date:	Joint Strategic Economic Committee Meeting – Thursday, 15 November 2016		
Subject:	European Structural and Investment Funds Programme 2014-2020		
Attachments:			
Author:	Julian Head	Total no of sheets:	5

Papers are provided for:	Approval <input type="checkbox"/>	Discussion <input type="checkbox"/>	Information <input checked="" type="checkbox"/>
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Summary & Recommendation:

General Outlook

Following the assurances given by government over the summer and autumn, in response to the vote at the EU-referendum, it is now clear that the ESIF programme will continue. Projects contracted prior to the UK's exit with the EU will continue to be funded.

The government's public statements on Article 50 process means that projects ought to be contracted in good time before March 2019, though perhaps could run for a three further years. The ESIF scheme runs from 2014 to 2020, with the possibility for projects running until 2023. A pragmatic approach is being taken by the partners. Further calls are in development so that the area maximises the opportunities from ESIF over coming years.

Programmes are about to restart after the recent hiatus. Calls for projects for the rural programme and low carbon are ready to be published. In the first part 2017, local specifications will be ready for the next call rounds for both European Social Fund (ESF) and European Regional Development Fund (ERDF). It is perhaps still possible that calls will be made in 2018, but at some point the government will need to draw a line allowing time for a final round of projects to be contracted.

ESIF Sub-Committee

The Committee last met on 24 November 2016, and received progress updates from the Managing Authority, on plans for the rural growth programme and to consider how it recruits members where vacancies have opened.

Programme performance

European Social Fund (ESF)

The Swindon and Wiltshire area is now seeing over £12m of funding, almost 75% of its ESF allocation, contracted to providers of critical services actively supporting people and businesses, upskilling workers and making the area more competitive.

Five providers, delivering six projects for employability, workforce skills, careers education, NEET-prevention and for older workers are underway. A partnership approach to promoting social inclusion - by helping people towards work – has commenced across all areas. Many providers are working in partnerships with over 30 local training bodies, colleges, social enterprises and charities involved. Services are being integrated with local delivery infrastructure by the SWLEP team and partners.

In summary Programme performance figures are:

ESF – Committed funds		Allocation	Contracted amount	% of allocation contracted	Remaining allocation ¹
Priority 1	Inclusive Labour Markets	£9.07m	£7.75m	85%	£1.32m
Priority 2	Skills for Growth	£7.85m	£4.89m	62%	£2.96m
Total		£16.92	£12.64m	74%	£4.28m

European Regional Development Fund (ERDF)

The ERDF has projects committed for over £6m of support, including Porton Science Incubator and health and life science sector growth. Wiltshire Council will lead the SME Growth project to support all SMEs, with focus on start-up and high growth, whilst regional projects are helping manufacturing business productivity, growing exports, and for business innovation. The Swindon and Wiltshire Growth Hub is working with ERDF and ESF projects to ensure integrated support for SMEs. £5m of funds for Low Carbon projects are due to be published by the Managing Authority shortly.

In summary Programme performance figures are:

ERDF – Committed funds		Allocation	Committed to contracts	% of allocation contracted	Remaining allocation ²
Priority 1	Research & development	£6.72m	£4m	59%	£2.72m
Priority 3	SME Competitiveness	£4.78m	£2.21m	71%	£2.57m
Priority 4	Low Carbon Economy	£5.43m	£0m	0%	£5.43m
Total		£16.95m	£6.21m	37%	£10.72m

¹ Subject to future iterations of £:€ exchange rate.

² Subject to future iterations of £:€ exchange rate and change request by Skills Funding Agency.

Project details

Appendix I includes tables that show break down of programmes by project, funding and duration.

Programme developments

Rural Growth Programme

Rural businesses will shortly be able to apply for up to £3.9m of capital grant awards to support a range of sustainable growth projects. Grants will be available to food manufacturing businesses in towns, in a programme that will also focus on rural tourism, environmental goods and natural capital.

The programme is run by the Rural Payments Agency in conjunction with local partners. Plans are being put in place to maximise the investment from public funds into the local economy working with the SWLEP's Rural Economy Sector Group.

European Social Fund (ESF)

The SWLEP Skills and Talent Subgroup's Skills Plan will provide an informative evidence-base for future ESF calls. These are likely to include support for apprenticeships and other schemes dedicated to improving local people's workforce skills.

European Regional Development Fund (ERDF)

The ESIF sub-Committee is advising on the types of potential projects it foresees. Local specifications for anticipated future calls for projects are being developed to increase research, development and business innovation facilities, support local digital industries and ensure a coherent, strategic approach to inward investment. Arrangements for post-Brexit must also feature in discussions with the Managing Authority.

Technical Assistance project

Swindon and Wiltshire is now receiving additional support for the ERDF programme. A small team is being assembled to publicise and promote the opportunities from the funding and to support further development of the programme. Activities will include holding events that promote calls for projects and programme achievements, help for applicants so that projects are effective in the local area, ensuring that Sustainable Development and Equality feature across the programme, and development of future arrangements and priorities for funding research, innovation, low carbon and key sectors.

APPENDIX I

Table I - ERDF		Provider	ERDF Commitment	2016	2017	2018	2019	Remaining amounts
ERDF Priority 1 - Promoting Research and Innovation								
1	Porton Science Incubator -	Wiltshire Council	£3,000,000	01-Feb	31-May			£2,726,732
2	Innovate 2 Succeed	EEN/ BusinessWest	£500,000	01- June			01-Jun	
3	Health & Life science Hub	Wiltshire Council/ AHSNs	£500,000	21-Nov			Nov	
ERDF Priority 3 - Enhancing the Competitiveness of SMEs								
4	SME Growth	Wiltshire Council/ Swindon Borough	£1,200,000	17 -Nov			Nov	£2,573,804
5	Export for Growth	DIT (UKTI) / BusinessWest	£599,883	01-Aug			01-Aug	
6	Manufacturing Programme (LMAP)	SWMAS	£414,665	01-Apr			30-Jun	
ERDF Priority 4 - Supporting the shift towards a low carbon economy in all sectors								
7	Energy efficiency for businesses		£500,000		Expected for calls to be made in Dec 2016, projects are likely to continue for 2 - 3 years – potentially into 2020			£436,151 (all held subject to 2018 Performance review)
8	Enabling Renewables Markets		£2.250,000					
9	Low Carbon built environment		£2.250,000					

Table 2 - ESF		CFO / Provider	ESF Commitment	2016	2017	2018	2019	Remaining amounts
ESF Priority 1.1 - Access to employment for job seekers and inactive people								
1	Employability skills	DWP / Working Links	£3,000,000	Start 09 Jan 2017			End Sept 2019	£397,472
2	Older workers support	SFA / Learn Direct	£950,000	Start due November		End 31 July		
ESF Priority 1.2 - Labour market integration of young people								
3	Your Time - NEET – young people skills coaching	SFA / Learn Direct	£999,389	Start 01-Apr		End 31 July		£727,372
4	Raising Aspiration (NEET & IAG)	SFA / CSW	£800,000	Start due November		End 31 July		
ESF Priority 1.4 - Active inclusion & participation								
5	Building Bridges – Promoting Social inclusion	Big Lottery / Community First	£2,000,000	Start 01-July			End July 2019	£197,183
ESF Priority 2.1 - Lifelong learning for all age groups								
6	Skills brokerage	SFA / Serco	£4,445,229	Start due November		End 31 July		£2,962,922
7	Raising Aspiration (EET & Employment)	SFA / CSW	£444,444	Start due November		End 31 July		