

Security Level:	Confidential <input type="checkbox"/>	Restricted <input type="checkbox"/>	Unclassified <input checked="" type="checkbox"/>	Commercially Sensitive <input type="checkbox"/>
------------------------	---------------------------------------	-------------------------------------	---	---

Meeting & Date:	Joint Strategic Economic Committee Meeting – 13 April 2017		
Subject:	European Structural and Investment Funds Programme 2014-2020		
Attachments:	None		
Author:	Julian Head	Total no of sheets:	6

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

Summary & Recommendation:

Programme Update

The Rural Development Programme for England (RDPE) Growth Programme was launched by the Rural Payments Agency (RPA) in January. On 8 February 2017 the SWLEP held its Rural Business Grants event at Devizes Corn Exchange to promote the £3.4m programme funding currently available in grants for rural business projects. Over 140 businesses heard about the programme, and met with business support organisations and the LEADER programmes.

On 5 April 2017, the ESIF sub-Committee gave advice to the Managing Authority on the three ERDF Low Carbon calls. Eight applications were received for the £5m funding: - proposals included projects to deliver intermediary support service for SME energy efficiency; new technologies for smarter distribution and storage of renewable energy linked to employment land and waste sites; and whole-place solutions in new housing developments. Following the sub-Committee's advice, full applications are now in progress.

ESIF Sub-Committee

Two new members have joined the group – an employee representative from Unit, and the new Job Centre manager in Swindon. Vacancies still exist for higher education and equalities representatives.

Forward Look

The start of the Article 50 process for leaving the EU provides more certainty for the ESIF programmes. Projects must be contracted before the end of March 2019 and fit with domestic priorities. Locally, a pragmatic approach is being taken by the partners with calls in development so that the area maximises the opportunities from ESIF over coming years.

Programme performance

European Social Fund (ESF)

Almost 75% of the ESF allocation has been contracted to providers to support people and businesses, through workforce skills, employability training and for social inclusion support. Both

Local Authorities are actively working with the SWLEP and directly with providers to ensure that targeted groups and particular places receive services.

- The SFA projects for NEETs, over-60s, workforce skills and for careers aspiration are under pressure to deliver large allocations in a short time frame period ending in July 2018.
- Providers are now reporting quarterly performance, with NEET provision falling behind profile.
- Some bedding down between commercial and non-commercial providers is still necessary.
- It is expected that the SFA will shortly complete its change request, effectively refunding the unused allocation to Swindon and Wiltshire so that the calls can be made to invest the entire allocation

ESF Programme summary (full project summary appears at end of paper)

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)

Six projects are active – the Porton Science Incubator is under construction and due to open in December 2017 – slightly later than planned.

The SME Growth project has seen delivery partners Cool Ventures, Inspire, BusinessWest and Oxford Innovations join Wiltshire Council, Swindon Borough Council and The Enterprise Network to begin to provide a range of advice and support services to SMEs. This major project joins the LMAP Manufacturing, Innovate2Succeed, Export for Growth and Health & Life Sciences Hub projects in linking to Swindon and Wiltshire Growth Hub.

The ERDF has committed around 66% now that the Low Carbon proposals have passed to full application stage and at least three more projects will be active once contracted by late summer 2017.

Development work on future calls and to support the repositioned Growth Hub is being supported by the Technical Assistance (TA) project as part of its work to support ERDF programme.

¹ Subject to future £:€ exchange rate and change request by Skills Funding Agency.

ERDF programme summary (full project summary appears at end of paper)

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	£5.43m	£5m	92%	£0.43m
Total		£16.95m	£11.21m	66%	£5.72m

RDPE Growth Programme (European Agricultural Fund for Rural Development)

Following the launch of RDPE Growth Programme, the SWLEP is setting-up a rural assessment sub-group of the ESIF sub-Committee to provide regular advice to the RPA on the strategic fit of proposals. This is aimed at speeding-up decision-making for full investment of our allocation in the area.

Future programming

ESIF is entering into its final two-year period of disbursing EU-funds. The nominal 'Brexit' date in late March 2019 it is expected to signal the end of EU-funding of projects. After that date the government will invest HM Treasury funds for any ESIF contracted projects that are also 'consistent with domestic priorities'.

Discouragement from government to plan for calls after January 2018 has influenced local partners to allocate as much programme funds for calls in 2017, and work is underway to determine a range of calls.

The remaining financial allocation is split across a number of investment priorities which may not fit with the locally articulated needs for future investment of ESIF – particularly ESF monies.

Local partners and the ERDF Managing Authority are looking at ways to resolve how existing three-year projects can be replaced with new projects in accordance with ESIF Strategy implementation for projects to run for 6 - 7 years (2015 – 2021). To date, ERDF projects have been constrained to three-year contracts, with three potentially repeatable projects due to end after March 2019. This work is combined with the development of successor programmes to avoid a cliff-edge for support to start-up businesses, for business research and innovation and for skills and training after March 2019.

The Industrial Strategy is at the centre of the government's emerging economic development policy and covers many similar themes as ESIF. It should therefore be regarded as stating 'domestic priorities' and forthcoming ESIF calls are being aligned to emerging Industrial Strategy.

² Subject to future £:€ exchange rate

ERDF – future calls summary

- Research and innovation infrastructure
- Digital Hub
- Workspace – SME focus
- Strategic inward investment service
- Business support package

ESF – future calls summary

- Apprenticeships Hub
- Skills Brokerage
- SEND / Care-leavers employment & careers project
- Raising Aspirations
- Supporting for adults into work

This work is being developed by small working groups and the SWLEP secretariat, with sub-groups and other stakeholders.

Full information on current funded and contracted ESIF projects

Full ERDF implementation	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	December		£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	<i>Confidential information</i>	£500,000		Calls have closed and projects are likely to begin in late summer 2017 and continue for 1 - 3 years – potentially into 2020		£436,151 (all held subject to 2018 Performance review)
8	Enabling Renewables Markets	<i>Confidential information</i>	£2.250,000				
9	Low Carbon built environment	<i>Confidential information</i>	£2.250,000				

Full ESF implementation	CFO / Provider	ESF Commitment	2016	2017	2018	2019	Remaining amounts	
ESF Priority 1.1 - Access to employment for job seekers and inactive people								
1	Links to Work	DWP / Working Links	£3,000,000	Start 09 Jan 2017			Sept 2019	£397,472
2	Older50s support	SFA / LearnDirect	£950,000	Start due November		31 July		
ESF Priority 1.2 - Labour market integration of young people								
3	Your Time <i>NEET young people skills coaching</i>	SFA / LearnDirect	£999,389	Start 01-Apr		31 July		£727,372
4	Raising Aspiration (NEET & IAG)	SFA / CSW	£800,000	Start due November		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			July 2019	£197,183
ESF Priority 2.1 - Lifelong learning for all age groups								
6	Skills support for the Workforce	SFA / Serco	£4,445,229	Start due November		31 July		£2,962,922
7	Raising Aspiration (EET & Employment)	SFA / CSW	£444,444	Start due November		31 July		

- Projects 4 and 7 are the same project – but joining two investment priorities into a single 'hybrid' project
- SFA contracts are to be extended to July 2018 subject to agreement of projects