**Cheshire & Warrington Local Enterprise Partnership**

**Performance and Investment Committee**

**European Structural and Investment Fund Update**

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| **Title: European Structural and Investment Fund Update** | **Agenda item:7** |
| **Prepared by: Francis Lee** | **Date of Report: 16th May 2018** |

1. **European Regional Development Fund**

Under the European Regional Development Fund fifteen outline applications have been supported in development and submitted in response to the calls which closed 20th April, in addition to the Multi-LEP calls developed in collaboration to support the Cheshire and Warrington LEP area in International Trade and to support a Cheshire Manufacturing Advisory Service.

These projects are now currently being assessed with the intention of presenting the applications and assessments for agreement at the next meeting of the European Structural and Investment Committee Chaired by Cllr Terry O’Neil on 21st June.

The Cheshire and Warrington Growth Hub and Growth Advice Service was granted an extension to enable a hand-over to the new Growth Hub to begin activity in October 2018.

It has been important for the LEP to pursue the swift development of projects to meet the condensed timeline for committing the remaining ERDF programme in Cheshire and Warrington to avoid the return of funds to HMT/Brussels. It should be noted therefore that with a project pipeline now of £62.63m for an ERDF Programme financial allocation of £60.72m that all but the low carbon economy priority axis (which is 94.3% committed) are now either committed or overcommitted including support for Innovation, ICT and support for Small and Medium Sized Enterprises.

Whilst it is inevitable that some projects will eventually return funds they are unable to commit to eligible expenditure and the exchange rate for our allocation of €77.8m which may change from 0.78 to 0.98 over the course of the year will make additional funds available these should be possible to commit to current priority projects and the development of an Urban Development Fund which the Cheshire and Warrington LEP is still currently pursuing with the support of CBRE. Any further funding remaining or reallocation from other LEP areas will be committed to a call for projects in October 2018 (subject to funds being available and the strategic merit of proposed projects).

1. **European Social Fund**

Cheshire and Warrington Local Enterprise Partnership (LEP) has now been informed by the Department for Work and Pensions (DWP) of the timing for launching the next round of European Social Fund (ESF) calls in the sub-region to enable the LEP to commit the remaining European Social Fund Programme against the agreed strategic priorities for investment in skills and employment across the LEP area.

The calls for projects will both provide students with relevant training and career guidance for opportunities in Cheshire and Warrington and will provide employers with a critical role in inspiring and providing information on new career opportunities, technologies and business development needs and in aligning the world of work, training provision and education more effectively.

Call Details, by Investment Priority, are shown below.

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| Investment Priority |  | ESF remaining | call date |
| 1.1 | Access to employment for job seekers and inactive people  |  | £7.4m | w/c 11/06 |
| 1.2 | Sustainable integration of young people  | *to be “merged” as one call* | £5.5m | w/c 02/07 |
| 1.4 | Active inclusion  |
| 2.1 | Skills for growth  |  | £14.8m | w/c 02/07 |
| 2.2 | Improving the relevance of education and training systems to employer needs  |  | £1.1m | w/c 11/06 |
|  |  |  | £28.9m |  |

Calls will be posted on the Government’s European Structural and Investment Funds (ESIF) website <https://www.gov.uk/european-structural-investment-funds>

The intention is that all remaining ESF funding from the £50m programme will be committed by 2019, with project activity to run for a maximum of three years.

Applications will be encouraged from consortia or strategic partnership arrangements rather than large numbers of small projects.

1. **Rural Development Programme for England / Rural Growth Fund**

From an allocation of £2.5m the RDPE fund has issued a call closing at the end of May 2018 in support of food processing, business support and tourism. Currently the food processing and business support funds are over-subscribed. However capital funding for tourism infrastructure was only 50% committed and includes ineligible bids. The ESIF Committee has therefore recommended that DEFRA redirect the remaining funds towards the business support programme that was approximately 50% over committed.

With a view to supporting rural businesses in the future Cheshire and Warrington LEP has also been working with the Cheshire and Warrington Rural Strategy Board and partner LEPs to respond to the consultation on future (post Brexit) rural funding by the Department for Environment and Rural Affairs. The Common Agriculture Policy currently deploys around €28BN in the United Kingdom with approximately €22BN of this devoted to direct payments. England, Wales and Scotland currently have differing approaches to the management of these funds.