**Cheshire & Warrington Local Enterprise Partnership**

**Performance and Investment Committee**

**European Structural and Investment Fund Update**

21 March 2018

Agenda Item 9

1. To bring the Performance and Investment Committee up to date on the proposed deployment of the remaining Cheshire and Warrington European Structural and Investment Funds and officer support in drawing down the remaining funds.

**Recommendations**

1. The Performance and Investment Committee is asked to note progress and the proposed approach to delivering the remaining funds:

* To focus the remaining European Regional Development Funds (ERDF) on those projects already identified for development across the sub-region.
* To focus the remaining European Social Funds (ESF) on three key priorities namely:
* Developing the skills for growth by ensuring a more coherent, joined up and higher quality curriculum offer across Cheshire and Warrington (as being progressed by the Employers Skills and Education Board).
* Support for access to employment and individuals furthest from the labour market (as being progressed by the Into Work Board).
* Support to put employers at the heart of communicating, inspiring and informing young people, parents and teachers and individuals seeking work or wanting to progress in work.

The focus on the three priorities would be achieved via three consortia of employers, local authorities, colleges, universities and other training providers who would bid for the remaining ESF funds and work together to oversee the strategic delivery of the funds.

1. In order to drive delivery and ensure there is sufficient capacity to draw down the remaining funds, the LEP has commissioned a small team of three ESF experts to help develop projects and write the bids. Those senior LEP officers ultimately responsible will continue to maintain an overview and continue to drive delivery.

**Progress**

**European Regional Development Fund (Economic Development)**

1. Under the European Regional Development Fund of £57.13 approximately £30m has been committed delivering business support programmes, investing in the Connecting Cheshire Superfast Broadband Programme, innovation initiatives, financial instruments, business incubation space, innovation infrastructure and jobs and training opportunities supporting over 2430 business and removing over 4180 tons of greenhouse gas emissions.
2. Of the remaining £27m approximately £13m is allocated against pipeline projects and £10 is allocated against Evergreen investment programme under development with Stoke and Staffordshire Local Enterprise Partnerships and Manchester Combined Authority. The Northern Powerhouse Investment Fund continues to make investments across Cheshire and Warrington now approaching 13 investments with a total value of £5M

**European Social Fund (Skills)**

1. Under the European Social Fund we have committed in the order of £20.8M of our allocation with approximately £28m remaining. This has resulted in many more learners, school visits, SMEs engaged with training needs analysis and learners progressing in work and on to employment.
2. On 1 March the ESIF Committee agreed the first of a round of new calls committing a further £1.16m of European Social Funding towards a £2.3m project delivering the Cheshire and Warrington Pledge. This will not just provide students with training and career guidance but will provide employers with a critical role in inspiring and providing information on the new career opportunities, technologies and business development needed aligning the world of work and education more effectively. Other calls coming forward to commit the remaining £28m will include £7.5m helping local people secure employment, £2.5m supporting young people not in education, training or work, £3m supporting those furthest away from the work place, £14m supporting employer-led work force development making sure we have the skills requirements for the future.

**Rural Development Programme for England (Rural Growth)**

1. Opportunities for Rural Growth Funding include rural tourism infrastructure support, food processing and small business growth grants typically around £35k. The LEP Rural Strategy Board has recently approved several grants to proceed to full application.
2. The LEP will continue to seek to commit funds by March 2019 regardless of any additional flexibilities that may emerge as part of the Brexit discussions to make sure that Cheshire and Warrington achieve the best value for money possible from existing EU Funds.
3. **Growth Hub Activity**

The LEP Current Growth Hub Activity:

The LEP will continue to develop the Growth Hub so it will be recognized as an “honest independent service broker” allowing a healthy market place for commercial services and positive engagement by partners and will ensure that the business support offering in Cheshire & Warrington is responsive to the threats and opportunities faced by businesses. The Growth Hub is currently managed at arms-length by Cheshire and Warrington LEP and will be embedded fully into the LEP by end September.

Achievements in 2017

* 146 SMEs receiving (3Hr) Diagnostic and Brokerage
* 37,251 website visits to online support 2017
* 100+ Top enquiry types: 648 for Business growth, 281 for business start-up, 125 events, 170 grants / finance, 110 business development and digital
* Top sectors in order: Manufacturing, Business Services, Digital and Information Services, Construction, Communications, food manufacturing, retail, health, financial services.
* Awarded/committed grants to 50 SMEs out of 50 available.
* Grant pipeline will generate an additional £240k Private Sector Match with £79,205 secured.
* Growth Hub grants and support contracted to date are forecast to deliver 156.5 New Jobs in C&W.
* 88 Specialist 1-2-1 supports and 44 Grants to deliver scale up growth with 5 in pipeline under delivery.

**Conclusion**

1. The Performance and Investment Committee is recommended to agree the proposed approach.