

# Network for Europe

## EU Funding Briefing – Lancashire

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# EU Funding Update

1. Update on ESIF In Lancashire

ERDF/ESF/EAFRD

Break

2. Evaluation of EU Programmes 2014-20

3. Simplification

4. What's Next? Post Brexit?

5. Questions and Information Sharing

# ERDF In Lancashire

- European Regional Development Fund (ERDF) supports research and innovation, small to medium sized enterprises and creation of a low carbon economy

# Current Open ERDF Calls in Lancs

- P.1 Promoting Research and Innovation
- P.3
- P.4 Supporting the Shift Towards a Low Carbon Economy in All Sectors
- P.5

# P1 Promoting Research and Innovation

- This call is looking to promote business investment in research and innovation.

Support for research and development activity that will promote increased innovation in high-value SMEs in the advanced engineering and manufacturing (AEM) sector in Lancashire.

- Project's put forward under this call must cover the Lancashire LEP area.
- Up to £2,500,000 of funding is available through this call. A minimum value of £500,000 of funding can be applied for.

- Outline application deadline: 8 September 20
- It is anticipated that funding from this call will be awarded for up to 3 years.
- This call is for projects supporting revenue type activity only.
- <https://www.gov.uk/european-structural-investment-funds/research-and-innovation-call-in-lancashire-oc19r17p-0553>

## P.3 Enhancing the Competitiveness of Small and Medium Sized Enterprises

- This call is looking to enhance the competitiveness of small and medium sized enterprises (SMEs) and specifically;
- promote entrepreneurship, in particular by facilitating the economic exploitation of new ideas and fostering the creation of new firms, including through business incubators.
- support the creation and the extension of advanced capacities for products, services and development.

- Project's put forward under this call must cover the Lancashire Local Enterprise Partnership area.
- Up to £3,000,000 of funding is available through this call. A minimum value of £500,000 of funding can be applied for.
- Outline application deadline: 8 September 2017
- It is anticipated that funding from this call will be awarded for up to 3 years.
- <https://www.gov.uk/european-structural-investment-funds/sme-support-call-in-lancashire-oc19r179-0555>



## P3 Lancs Specific Priorities

- Proposals should demonstrate alignment with local priorities including:
- Identifying particular barriers **social enterprises face** in relation to their unique business models which are not experienced by other business i.e. the priority placed upon social impact against financial return.
- Roles that the **social enterprises** can play in delivering economic and social benefits, recognising that there are both new opportunities and specific challenges for social enterprises to achieve their full economic potential.

- Although they share some of the same challenges as other businesses their nature requires specialist advice and support, including;
- Business models and the reinvestment of profits, and balance between social/environmental impacts
- Accessing commercial finance
- Differing governance models
- Restrictions on raising finance due to i.e. charitable covenants.

- Focus on providing additional sector specific support for social enterprises to help grow the scale and the scope of the social economy in Lancashire. It will target:
- Awareness raising and stimulation for establishment of new social and community businesses, and for individual social entrepreneurship

- Consortia approaches will be welcomed.
- Activities must be closely aligned with the Lancashire Growth Hub. Applicants will therefore be required to detail how support under this call will complement wider publicly backed business support activity.
- Should not duplicate existing provision in Lancashire and exclude hard to reach communities
- Activity should be accessible to disadvantaged communities.
- Project promoters should demonstrate a detailed understanding of local conditions and opportunities for social enterprise growth

## P.4 Supporting the Shift Towards a Low Carbon Economy in All Sectors

This call is looking to support the shift towards a low carbon economy in all sectors:

- promoting the production and distribution of energy derived from renewable resources.
- promoting energy efficiency and renewable energy use in enterprises
- supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, **including in public buildings**, and in the housing sector

- promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures
- promoting research and innovation in, and adoption of, low-carbon technologies

<https://www.gov.uk/european-structural-investment-funds/low-carbon-call-in-lancashire-rolling-call-oc19r16p0443>

- Lancs specific support is needed for :
  - support innovations in renewable and low carbon energy generation and their use;
  - support research in, and development, commercialisation and roll out of, new and innovative technologies, products and processes which reduce carbon emissions and energy use;
  - develop low carbon technologies and services, including the diversification of businesses into new low carbon products and services;

- support to grow the low carbon sector and develop low carbon supply chains;
- provide tailored support to increase the energy efficiency and resilience of businesses; and
- develop low carbon innovation assets and secure access to these resources by Lancashire's SMEs to facilitate the increased adoption of low carbon technologies.



## P.5 Promoting climate change adaptation, risk prevention and management

This call is looking to promote investment to address specific risks, ensuring disaster resilience and developing disaster management systems

- Specifically this call is seeking proposals for the delivery of flood mitigation activity.
- Project's put forward under this call must cover the Lancashire Local Enterprise Partnership area.
- Up to £8,925,000 of funding is available. A minimum value of £500,000 of funding can be applied for.
- [www.gov.uk/european-structural-investment-funds/climate-change-call-in-lancashire-oc19r17p-0583](http://www.gov.uk/european-structural-investment-funds/climate-change-call-in-lancashire-oc19r17p-0583)

# ESF in Lancs

- European Social Fund (ESF) focuses on improving the employment opportunities, promoting social inclusion and investing in skills by providing help people need to fulfil their potential.

# ESF Open Call In Lancashire

## P. 2.1: Enhancing equal access to lifelong learning

- Developing Leadership and Management Skills for Succession
- This call looks to tackle the issue of replacement demand, due to an ageing workforce, and the issue of under-representation of females (particularly in STEM sectors).
- The focus of the call is on - Support for progression in work, tackling disadvantage and support for wider careers choices.
- Activity should be targeted at Lancashire's priority sectors.

- The project must cover the Lancashire Local Enterprise Partnership area.
- Approximately £4,950,000 of funding is available.
- Outline application deadline: 10th October 2017.
- The project must be completed no later than 30th April 2021.
- [www.gov.uk/european-structural-investment-funds/lancashire-developing-leadership-and-management-oc19s17p0833](http://www.gov.uk/european-structural-investment-funds/lancashire-developing-leadership-and-management-oc19s17p0833)

# Misc.

- ESF Restructuring
  - DWP, the Managing Authority for ESF restructured its ESF staff at the beginning of June.
  - The regional teams have now been replaced by two national teams, and we think there may be some more recruitment.
  - This is good news, and should speed up the (currently very long) appraisal and claims processes.

- The minimum amount for ESF projects under recent calls varies from £50k - £500 k.
- Projects are still being funded for 3 years
- Recent calls have longer deadlines for submission of bids.

# ESF Approved Projects to Date



<b>SFA Skills Support for the Unemployed</b>	<b>ESF 1.1</b>	<b>SFA</b>	<b>Opt-In</b>
<b>SFA Support for Young People (NEET)</b>	<b>ESF 1.2</b>	<b>SFA</b>	<b>Opt-In</b>
<b>SFA Skills Support for the Workforce</b>	<b>ESF 2.1</b>	<b>SFA</b>	<b>Opt-In</b>
<b>Big Lottery</b>	<b>ESF 1.4</b>	<b>Big Lottery</b>	<b>Opt-In</b>
<b><u>DWP Reducing Worklessness</u></b>	<b>ESF 1.1</b>	<b>DWP</b>	<b>Opt-In</b>
<b>Employment &amp; Mental Health Integration</b>	<b>ESF 1.1</b>	<b>Blackpool Council</b>	<b>Approved Project</b>
<b>Strengthening Communities</b>	<b>ESF 1.4</b>	<b>Blackburn WDBC</b>	<b>Approved Project</b>
<b><u>MyPlace</u></b>	<b>ESF 1.4</b>	<b>Lancashire Wildlife Trust</b>	<b>Approved Project</b>
<b><u>WorkFit Women</u></b>	<b>ESF 1.4</b>	<b><u>Lancs Womens Centres</u></b>	<b>Approved Project</b>
<b>More Positive Together</b>	<b>ESF 1.4</b>	<b><u>Lancashire Sport Pship</u></b>	<b>Approved Project</b>



# Approved ERDF Projects to Date

UCLan Innovation Clinic	ERDF P1	UCLan
DigitME2	ERDF P1	UCLan
Engineering Innovation Centre	ERDF P1	UCLan
BOOST	ERDF P3	LCC
Access 2 Finance	ERDF P3	GMBS
Pan-LEP Specialist Manufacturing Service	ERDF P3	GMBS
Propel to Grow	ERDF P3	Vedas
Digital First	ERDF P3	UCLan
Investment Readiness	ERDF P3	UCLan
UNITE+	ERDF P3	UCLan
Better Off in Business	ERDF P3	Princes Trust
Enhancing <u>SMEs</u> International Trade Performance	ERDF P3	<u>Chamberlink</u>
U Start	ERDF P3	Lancaster University
Lancashire Forum	ERDF P3	Lancaster University
Digital Office Park	ERDF P3	Chorley Council
Building Capacity & Capability Health Businesses	ERDF P3	Innovation Agency
Transmission	ERDF P3	UCLan
Northern Powerhouse Investment Fund (NPIF)	ERDF P3&4	BBFS
Low Carbon Lancashire Innovation Hub	ERDF P4	Lancaster University
Brilliance	ERDF P6	The Rivers Trust



# EAFRD Approved Projects to Date

Dairy Processing Factory	EAFRD	Kosher Direct
Processing, Storage & Marketing	EAFRD	Sheep Milk UK
Dairy Processing Plant	EAFRD	Little Town Dairy
Diving Test Centre	EAFRD	Northern Diver

# ‘Earmarked’ (not yet contracted, undergoing appraisal, indicative allocation, EOI).

Access to employment - unemployed & inactive	ESF 1.1		ESF allocation
Support for young people (NEETs)	ESF 1.2		ESF allocation
Skills support - employed & lifelong learning	ESF 2.1		ESF allocation
JESSICA	ERDF P3		Indicative allocation
NPIF (formerly LIF)	ERDF P3		Indicative allocation
Productivity and Innovation Centre	ERDF P1	Edge Hill University	Outline Application
Health Innovation Campus (HIC)	ERDF P1	Lancaster University	Outline Application
IMAGO	ERDF P2	Lancaster University	Outline Application
Making Carbon Work (MaCaW)	ERDF P4	UCLan	Outline Application
ProToCoL	ERDF P4	Lancaster University	Outline Application
Low Carbon Lancashire	ERDF P4	Remsol Limited	Outline Application
Renewable Energy Technology Commercialisation	ERDF P4	East Lancs Chamber	Outline Application
Earby Flood Resilience Scheme	ERDF P5	Pendle Borough Council	Outline Application
Lomeshaye Ind Est Green & Blue Infrastructure	ERDF P6	Pendle Borough Council	Outline Application
Finsley Gate Canal Corridor	ERDF P6	Canal & River Trust	Outline Application
Upskilling Lancashire	ESF 2.2	UCLan	Outline Application
Employer Engagement for Skills (EnginE)	ESF 2.2	Lancaster University	Outline Application
Pack House Extension and Storage Facilities	EAFRD	S.C. Farrington Produce	EOI
Ice Cream Production Dairy	EAFRD	Hill's Fine Foods Ltd	EOI
Processing Site Expansion	EAFRD	Pughs Piglets	EOI
Increasing and improving manufacturing capability	EAFRD	Simply Doughnuts	EOI
New Prepared Salad Factory	EAFRD	Len Wright Salads	EOI
Onion Storage Building	EAFRD	R&C Parker (Farms) Ltd	EOI

# Current Calls for Proposals Aug '17

Leadership & Management	ESF 2.1
Innovation	ERDF P1
SME Competitiveness - Social Enterprise	ERDF P3
Low Carbon	ERDF P4
Climate Change - Flood Mitigation	ERDF P5
Rural Tourism Infrastructure	EAFRD
Food Processing	EAFRD

# Remaining ESIF Funds in Lancashire

## Lancashire European Structural Funds

Totals may not always appear exact, due to rounding.

£m Figures based on February 2016 exchange rates

<b>ESF</b>		<b>P</b>	<b>Alloc</b>	<b>94%</b>	<b>Commit</b>	<b>EarM</b>	<b>Unalloc</b>
Unemp	Access	1.1	16.98	15.96	11.44	3.67	0.86
Unemp	NEET	1.2	7.83	7.36	4.44	2.22	0.69
Unemp	Inclusion	1.4	17.70	16.63	13.86	-	2.78
Emp	LLL	2.1	37.35	35.11	15.56	7.78	11.77
Emp	Imps	2.2	5.15	4.84	-	4.53	0.31
			<b>85.01</b>	<b>79.90</b>	<b>45.30</b>	<b>18.20</b>	<b>16.41</b>

<b>ERDF</b>		<b>P</b>	<b>Alloc</b>	<b>94%</b>	<b>Commit</b>	<b>EarM</b>	<b>Unalloc</b>
Innovation		1	22.68	21.32	8.36	12.53	0.43
ICT		2	6.52	6.13	-	1.87	4.26
SME		3	63.03	59.25	26.91	15.00	17.34
Low Carbon		4	26.25	24.68	8.00	4.63	12.06
Climate Change		5	3.10	3.10	-	0.60	2.50
Environment		6	2.50	2.35	0.63	1.08	0.64
			<b>124.08</b>	<b>116.83</b>	<b>43.90</b>	<b>35.71</b>	<b>37.23</b>

<b>EAFRD</b>			<b>Alloc</b>	<b>94%</b>	<b>Commit</b>	<b>EoI</b>	<b>Unalloc</b>
			4.20	3.95	0.34	1.57	2.04

# Evaluation Of EU Programmes 2014-20

- It is important to understand how we are bringing about change, and what is effective, so evaluation has always been a key part of European Funds.
- For ERDF, while there is a national evaluation, all projects have signed up to carrying out their own evaluations.
- The Managing Authority (DCLG) will arrange a national level review of what is delivered, but at local level, every project has agreed to carry out an evaluation (for between £10k and £100k), as part of signing the agreement for the project.
- When the project level evaluations are completed, someone (consultants) will pull them all together (sum them) for the final summative report.

- Although this is at project level (and few VCSE orgs are directly running projects in Lancashire), we think would be useful - for example for business support - to evaluate how the various organisations (including those supporting social enterprise) come together to deliver the projects
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- In common with developing understanding over recently years, there will be a focus where possible on measuring counterfactuals (identifying what would have happened without the funding).
- Also how this links with other activities (including capital projects, and activities which might be funded by ESF).
- So if you want to know more contact [andy.churchill@networkforeurope.eu](mailto:andy.churchill@networkforeurope.eu)



- it is not clear what evaluation will be commissioned for ESF
- Evaluation is particularly important this time round as it will be used to shape the post Brexit funds.



# What's Next?

## ESIF Programme and Post Brexit

## **Current EU Funds 2014 – 20**

### **3<sup>rd</sup> October 2016 Statement by HM Treasury**

“Following his statement in August which guaranteed funds for projects signed up until the Autumn Statement, the Chancellor has now extended this guarantee to the point at which the UK departs the EU.

The Chancellor confirmed that the government will guarantee EU funding for structural and investment fund, signed after the Autumn Statement and which continue after we have left the EU.

- For projects will be honoured by the government, if they meet the following conditions:
  - they are good value for money
  - they are in line with domestic strategic priorities”

- Since we are not expected to leave until at least end March 2019 and projects are typically for three years, this potentially takes us to 2022.
- In other words the current programmes will in effect run their normal course.
- May be match funding issues post 2019 regarding ESIF/UK spend.

# What comes after ESIF?

Current policy position:

- The Conservative Manifesto promised a UK Shared Prosperity Fund (UK SPF)
- It will be designed to reduce inequalities between communities delivering “sustainable, inclusive growth”.
- The UK SPF will “balance local/national decision making” and “take place within the current decentralisation agenda and with respect to recent devolution deals”.

- The UK SPF will continue the ESIF focus of ‘reducing inequalities both between regions and communities’
- Of the 13 Transition Regions in the current ESIF Programme 9 are in the North (NW,NE,Y&H)
- UK Govt is currently beginning a process of consultation on this which may lead to a Green Paper in the new year.
- To indicate the scale of the issue.  
Total Lancs ESF Funding £85.01m

# What Might Brexit Mean for Your Organisation?

Regardless of how the Brexit process develops, here are some suggested questions organisations may want to start to ask yourself:

- Do you have funding provided directly from the EU?
- What are you doing to find out about replacement funding?
- Do you employ non-UK EU nationals?

# Contact

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