

European Update 27th April 2020, from Network for Europe Cheshire, Cumbria, G Manchester, Lancashire, Liverpool CR

Headlines

EU Coronavirus Response Investment Initiative
Reserve calls stopped
Flexibility for Projects
Simplification for Technical Assistance
UK Shared Prosperity Fund further delays

ESF calls

The three Cheshire and Warrington calls closed on 18th March, and are now being appraised (which may take some time).

There have been 9 calls in 2020 totalling £8.3m for the ESF Reserve (none in the North West), with the latest on 12th March. Several have had deadlines extended to 17th or 30th June. Calls have now been stopped.

www.gov.uk/european-structural-investment-funds

ERDF calls

There was one extra call on 24th March. This was for Bristol for SUD (Sustainable Urban Development). The call for ERDF Reserve Fund bids, expected on 20th March has been cancelled.

Flexibility for existing projects

ESIF Coronavirus Response Page has letters dated 23rd March and 8th April, and updating Questions and Answers for the three funds (ESF, ERDF and EARDF). The 23rd March letter confirm that the Departments are committed to working flexibly and pragmatically with those running projects to maintain stability in the short term, respond to the challenges, and ensure capacity is in place for the future. It confirms calls were stopped.

The 8th April letter refers to Europe's Coronavirus Response Investment Initiative, and the changes that could allow for the Funds. It confirms the Managing Authorities in England are bringing in flexibilities so that payments to projects would continue, refocussing some projects, and prioritising appraisals for time critical projects.

The ESF Q&A covers wet signatures, cancellation costs, reduced outputs, delays, extensions, re-profiling and on-line delivery. PIVs are now virtual, and claims can be paid before checks are made. The ERDF Q&A also confirms claims will be paid in advance of some documentation, and covers re-profiling and extensions, changes to outputs, cessation of activity, staff sickness, re-purposing projects, and a temporary state aid framework to allow support to enterprises in difficulties (UK Wide Umbrella Notification).

All projects will still have to be completed by 2023.

www.gov.uk/government/publications/european-structural-and-investment-funds-coronavirus-covid-19-response

EU Coronavirus Response Investment Initiative

On 13 March, Ursula von der Leyen, President of the European Commission announced the EU Coronavirus Response Investment Initiative, to support the healthcare sector, labour market and enterprises. There would be flexibility on State Aid (some decisions within hours), and ESIF funding could be redirected for the rest of the Programme.

On 18th March a letter went to each Member State (and to the UK, as we are still in the Transition Period and still running ESIF Programmes). The UK letter referred to the CRIF, said that from 1st February 2020 Coronavirus related expenditure would be eligible for the Cohesion Funds (including ESF and ERDF), for example to support healthcare systems including equipment, medicines, treatment facilities, PPE, to adapt the working environment in the healthcare sector and

ensure access to vulnerable groups. ESF can also support short time working and community based services. ERDF can support working capital, including through grants. Some payments by Europe would be brought forward, and an additional €229m (about £200m) extra would be made available to the UK.

The Member States are responding - for example Poland confirmed on 30th March that they would use ESF to pay part of the salaries of people employed in enterprises affected by the pandemic (including self employed and third sector).

Here in the UK, there were no more ESF calls after 12th March, and the ERDF call on 20th March was cancelled. The Growth Board (Programme Monitoring Committee) meeting of 23rd March was cancelled, and since then the national Performance sub group has been meeting fortnightly and discussing how to use the remaining uncommitted funds. We are hoping for some announcements soon.

Following European Council approvals, the European Parliament approved the various proposals on 17th April, in particular mobilising uncommitted Cohesion Funds. Transfers will be possible between different funds and regions, with the possibility of 100% EU funding (no match)

https://ec.europa.eu/commission/presscorner/detail/en/qanda_20_458

https://ec.europa.eu/regional_policy/sources/newsroom/crui/uk_crii.pdf

https://ec.europa.eu/regional_policy/en/newsroom/coronavirus-response

https://ec.europa.eu/commission/presscorner/detail/en/ip_20_685

Simplification - Technical Assistance

As part of the Simplification Agenda, Europe has looked at Technical Assistance. This is paid to Managing Authorities and other Partners (including LEPs, Third Sector, Universities, Local Authorities) to enhance the ESIF Programmes so that they are more effective and efficient. Using the Simplification method of stepping back to see what is relevant, it was noted that if a Programme is working, then this is reflected in the claims for payment for projects from the Managing Authority to the Commission. Thus it was proposed that Technical Assistance (generally around 4% of the programme) be paid as the percentage of each claim. No need for any proof of expenditure, nor of delivery (as proof is successful claims).

This was published in the Official Journal on 8th November 2019. Providing a TA project has not been closed, the payments can effectively take over from previous claims. However, it only covers the payment to the Managing Authority. Each MA can decide how it deals with the TA it then pays to individual Partners. The 7th April ESF Action Note 048/20 confirmed simplified procedures for Technical Assistance for Partners, starting with claims from the beginning of 2020.

<https://eur-lex.europa.eu/legal-content/en/ALL/?uri=CELEX:32019R1867>

www.gov.uk/government/publications/esf-action-notes-2014-to-2020-programme/04820-new-esf-flat-rate-simplified-cost-option-methodology-and-associated-claims-process-for-esf-technical-assistance-projects

ESF Community Grants

Applications for Round Three of the ESF Community Grants (Liverpool, Manchester and Lancashire) are being processed, and decisions are being announced. Due to the current lockdown, projects from all three rounds are being reviewed, some will become more digital some may be put on hold, and extensions may be considered.

Round Four was due from mid April, has been put back until June (or possibly later).

www.wea.org.uk/esf-community-grants-2019-2021

UK Shared Prosperity Fund

This Fund is to replace ESF and ERDF in the UK, and it was thought that a consultation would finally be announced early in 2020. Network for Europe, working with SELNET announced an event in Lancashire to discuss the proposed fund, took bookings and confirmed some interesting speakers. This had to be cancelled, due to the Coronavirus lockdown. It would seem that the UK-SPF consultation will have low priority until there is sufficient progress in tackling the virus.

Getting Brexit done

The UK left the European Union at the end of January. We are now in the Transition Period, where we are still bound by the rules, but do not influence them. ESF and ERDF continue to the end of the 2014-20 Programme, ie to 2023. The UK government has the option to extend the negotiations if it requests this by the end of June 2020, but has said it does not want an extension, meaning the Transition Period will end by December 2020. So there is a lot to negotiate in a very short time.

Documents were produced by the EU and UK in late February and negotiations were held on 2nd-5th March. The two senior negotiators were then affected by coronavirus and there was a pause. The second round of meetings took place 20-24th April, but there does not yet seem to have been much progress. Europe published a full draft legal text on 18th March, and the UK apparently sent (confidential) text proposals for some parts.

<https://commonslibrary.parliament.uk/research-briefings/cbp-8834>

https://ec.europa.eu/commission/presscorner/detail/en/statement_20_739

Civil Society Involvement - website

CSI supports third sector representatives on the English National Growth Board (PMC) for ERDF and ESF, and the National sub-committees. CSI is strongly involved with the current Performance sub-committee discussions, and is actively proposing support for third sector issues in the delivery of ESIF. Register at <http://civilsocietyinvolvement.com>

ERDF Practitioner Network

The February update issued on 28th was a spotlight on infrastructure, and included Baltic Creative Digital House in Liverpool. A subsequent bulletin on 26th March was a response to the pandemic, including the cancellation of the expected launch of ERDF calls, Email esif@communities.gov.uk to subscribe for your own copy.

ESF Project Bulletin

The update issued on 26th March was a response to the pandemic with a link to the new Coronavirus Response page. Updates on 9th and 22nd April referred to updated Q&A. Subscribe direct for your own copy of the Bulletin by emailing esf.2014-2020@dwp.gov.uk

ESIF Programme Bulletin

The February/March update was on 9th March, including references to latest guidance and Action Notes, the updated list of ESF and ERDF Beneficiaries, communications survey, and information on the other bulletins. A subsequent bulletin on 26th was a response to the pandemic, referring to the Covid Q&A and the stopping of calls for the Reserve Funds, and links to the response of the other three countries in the UK.

esif@communities.gov.uk to subscribe direct.

ESIF Programme COVID-19 Notification Bulletin

These are new bulletins, sent out to those subscribed to the other Bulletins. One was sent out on 14th April, with ERDF and ESIF ones on 21st, both with links to the COVID page on gov.uk.

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European Union

European Structural
and Investment Funds