

European Update 22nd December 2017, from Network for Europe Cheshire, Cumbria, G Manchester, Lancashire, Liverpool CR

Headlines

ERDF and ESF calls

Omnibus Proposals

Gypsy, Roma and Travellers

A flurry of reports and documents recently received

ERDF Calls

As in our previous update, 65 calls went out on 8th December with 9 for **Cheshire & Warrington, Lancashire, and Cumbria** (plus one all England call). Deadlines generally 26th January.

Manchester is expected to have around half a dozen calls for about £16m, perhaps in January. This is expected to include calls under Priority 3 (support for Enterprise), including start-up support, growth, and support for specific sectors. Otherwise, the next ERDF set of calls are due in March.

ESF Calls

A few ESF calls are appearing, but not yet ones for the North West, so these will be in 2018, likely from February. Liverpool had been close to announcing ESF calls, but it is not known if the statement on 14th concerning extensions for YEI funding will impact on these calls.

Network for Europe will be holding a meeting at the beginning of January with third sector organisations running YEI-ESF projects in Liverpool City Region. Since the Growth Board (PMC) announcement, the changes have been referred to in a letter from Catherine Blair to the local ESIF sub-committees, and in ESF Action Note 7.

ESF-CoFinance

Still no official announcements from the national co-financers (HMPPS, BLF, ESFA, DWP) on their position for the second half of the programme. It is understood that ESFA has begun discussing extensions to March 2019 in some areas, but not made a formal England wide announcement.

The Omnibus proposals and simplification

Final political approval is just about through, expected to be in place by the end of 2017. Drafting and tidying, reflecting the agreements, is likely to be completed by February, so that the changes can be rolled out for the Spring. Each Member State (including the UK) will be expected to implement them, although in some cases they could delay this by twelve months or so.

For each seven year programme (the current one is 2014-20), there are a set of Regulations (including the Common Regulations, and specific ones for ESF, ERDF etc). These have to be agreed by all the Member States, and state what the Funds can do (defining Beneficiary, Participant, Programme Monitoring Committee, as well as intervention rates etc). The current Regs were agreed after considerable discussions and negotiations and published in December 2013.

The Omnibus proposals have been underway for a couple of years, and are essentially a mid term review of the Regulations, focussed mainly on the Simplification Agenda. While an early draft (250 pages) was available Autumn 2016, the final agreements are now in place, and presentations are being made. Some of the changes to the Regulations will be requirements, while others will be up to the member state to impose, if it considers it appropriate. Given the pressures and delays with ESF and ERDF, one would expect the Managing Authorities to welcome the opportunity for additional simplification.

Currently, we have a requirement in ESF that indirect costs (shared rent, photocopier, heating etc) are claimed as a straight 15% of staff costs (no receipts required). Alternatively, the claim could be staff costs plus 40%, with no requirement for proof of spend other than staff costs. This is a more effective, efficient process, leading to better, more rapid claims with less errors. And better audits. The Omnibus proposals extend this (useful in Intermediate Labour Market projects), allowing participant costs (salaries/allowances) to be claimed separately to the staff costs and the other costs. Many small projects (up to €100k) have considerably reduced bureaucracy. Lump sum payments (used in England for CLLD) now have the limit of €50k removed. This follows from the proceedings of the High Level Group on Simplification, and allows a stronger focus on delivery, rather than a focus on collecting receipts.

EClaims

This online system seems to be close to being fully launched. Testing has continued, with increased usage for claims expected in this quarter. Once it is fully working the intention is for it to produce timely, accurate management information.

Programme Monitoring Committee - Growth Board

This met on 14th December. There were announcements on the continuing availability of YEI-ESF, and on ESF and ERDF funding right to the end of the current programme.

It was confirmed that the changes to the ERDF Operational Programme had been approved by the European Commission. There was brief discussion on some further changes, which would need to be agreed. While ERDF commitment was at 43% and P3 was expected to hit the interim targets for N+3 and Performance, there was some concern for P4 (Low Carbon) and P5 (Climate Change - Flooding) in some of the Geographical areas.

In response to concerns expressed about the pressure DWP staff were under in processing calls and claims, it was confirmed that DWP has been recruiting additional staff for these tasks. This was welcomed.

A useful note on exchange rate issues was produced, as promised. Following the devaluation after the referendum vote, the value of the pound against the euro has dropped by around 10-12%. Since the ESIF Programmes are agreed in euros, this means that the value of the ESF and the ERDF English Programmes have gone up by about £300m each. When a claim is paid by Brussels, the exchange rate is fixed at that month's level, so now that payments are being made, these rates are being used. Currently, the allocations are based on the old rate (0.78p), but for planning purposes, spend is considered at the current rate (about 0.88p). A further paper is expected in March, but it seems that the £600m may be held centrally, to give more flexibility, and perhaps allow LEPs to access extra funding if they are delivering.

ESF Action Notes

Numbers 8 and 9 were issued on 19th December. No. 8 is about YEI potentially available to be spent beyond 2018. And 9 is about when ESF can be used for help with housing costs.

<https://www.gov.uk/government/publications/esf-action-notes-2014-to-2020-programme>

GRT

Catherine Blair, Head of ESF Division for DWP sent out a letter on 28th November to ESIF sub-committee members. This concerns recent discussions with representatives from national Gypsy, Roma and Traveller groups, who are concerned with take-up of ESF provision. The letter confirms the inclusion of a specific reference to GRT in the revised Operational Programme, and encourages the ESIF committees to work with local GRT representatives when developing future calls.

http://www.nationalgypsytravellerfederation.org/uploads/3/7/5/2/37524461/e141126_experts_by_experience_report.pdf

https://www.equalityhumanrights.com/sites/default/files/ief_gypsies_travellers_and_roma.pdf

Next Steps

A further letter was sent out from Catherine Blair (19th December) to ESIF sub-committee members. This is a general update on the ESF programme - it refers to the 47% commitment to date, continuing developments with EClaims (concentrating on progressing outstanding claims, and the activities required to register and access EClaims). It confirms ESFA will be talking to ESIF LEP level committees about extensions (Adult Education Budget now not devolved to April 2019, so it has more match). There is also information on de-commitment, and on YEI.

Changes to the ERDF Operational Programme

These changes were approved by the European Commission on 16th November (but at the Growth Board/PMC meeting in December it was suggested that there might be some more changes due). Since then, DCLG has been revising the allocations by LEP area - information on these are being sent out to the local LEP level ESIF committees

Changes to the ESF Operational Programme

Further to our report on 31st October. These are now progressing in two stages the first batch is expected to be submitted to the Commission about now. The rest of the changes will go over early next year.

Meetings of the local LEP level ESIF sub-committees

Delays are continuing. Liverpool had just two meetings in 2017, and the January 2018 meeting has been postponed. Cheshire and Warrington last met in July 2017, and plan to meet again at the end of February 2018. Manchester last met in July 2017, currently planning to meet at the beginning of February 2018.

Having so few meetings makes Partnership involvement more difficult, and of course written procedures mean that proper discussion is cut.

Entrepreneurship - growth and jobs

The European Commission with the OECD has just published a policy brief on Women's Entrepreneurship, exploring the gender gap, differences between male and female owned businesses, and unique challenges faced. It looks at more support for growth, including dedicated business incubators and business accelerator programmes, and an infrastructure for risk capital. A further report, The Missing Entrepreneurs looks at how support can be provided for disadvantaged groups and those under-represented in entrepreneurship.

<http://ec.europa.eu/social/main.jsp?langId=en&catId=89>

ESIF Programme Bulletin

The December update is available. It reports on progress on commitment during the year, and gives totals for ESF, ERDF and EAFRD. Calls are now out for the whole of the EAFRD Funding. It says more calls for ERDF will be in March, with further calls in 2018. It confirms EClaims is moving forward with all four national Co-Finance Organisations using it for claims, 20 direct bid organisations using it for Q3 2017, rolling out to more for Q4.

There are additional links to information, including to the case study booklets.

Email esif@communities.gsi.gov.uk and subscribe direct for your own copy of the Bulletin.

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European Union

European Structural
and Investment Funds