

## European Update 17th October 2018, from Network for Europe Cheshire, Cumbria, G Manchester, Lancashire, Liverpool CR

### Headlines

ERDF calls

BBO - Big Lottery Announcement

### ERDF Calls

The ERDF calls went out late on Friday 5th October, and cover most of the English LEP areas, with 111 calls, for £540,472,000 from Europe. MHCLG has set a minimum of £500k from Europe for almost all bids, and they all have a short deadline of 23rd November. It could then take a year or so to appraise bids.

There are ten calls for the North West, totalling £42.7m from Europe. Calls for the North East totalled £112m, and Yorkshire and Humber were for £113m.

Greater Manchester and Liverpool City Region are expected to announce calls through their own Intermediate Body status.

LEP area £million	1innov	2ict	3sme	4lowC	6env	Total
Cheshire & Warrington	3.0	-	2.0	3.0	-	8.0
Cumbria	4.0	-	-	3.4	1.3	8.7
Lancashire	6.3	1.4	8.0	10.3	-	26.0
Total	13.3	1.4	10.0	16.7	1.3	42.7

[www.gov.uk/european-structural-investment-funds](http://www.gov.uk/european-structural-investment-funds)

### ESF direct calls

ESF calls continue to be announced once they are ready, with 12 calls, for £29.641m from Europe, currently open. This includes a call for Cumbria of £2.286m for engaging employers (Priority 2.2), deadline 4/12/18. This was originally for £1.8m, as in our previous update, but the amount has been revised upwards.

### ESF Co-Finance - ESFA

The calls for £323 of money from Europe (including £43m for Social Capital Community Grants) are currently being processed, with agreements expected in January.

### ESF Co-Finance - BBO Big Lottery Fund

Big Lottery Board met on 25th September and agreed further funding for Building Better Opportunities (BBO), which will mean more money from Europe under ESF. Letters were sent out to the Chairs of the LEP level ESIF Committees on 26th September, and we believe organisations running BBO projects received emails to say that their funding officer would be in contact shortly. Our understanding is that there will be no new bidding rounds, but that existing projects will be able to negotiate an extension in time, or extension in time and money, up to 2023.

This would depend on performance of the individual projects, overall fit with Big Lottery, and approval of the extra ESF from the ESIF committee.

The lottery would review overall spend against targets, fit with their own aims and objectives, and local context. Individual projects would be reviewed to check against their target engagement of participants (outputs) and their results, as well as compliance with the lottery's eligibility and audit requirements.

Since these are extensions, we understand the lottery will continue to use 15% indirect costs for the claims, rather than move to the simplification of 40% of non staff costs.

The Lottery notes that the considerable workload required for the projects means that their administration costs have risen.

Currently, the commitment for BBO projects in England is about £160m from Europe, matched with perhaps £130m from the Big Lottery. This is good news (finally!) about the additional funding, although it is not yet known how much money is involved.

### **No deal documents**

The third batch of documents (25) went out on 24th September, followed by the fourth batch (26) on 12th October. They covered problems with timber, road haulage, copyright, flights, driving insurance, mobile phones, consumer protection, electricity, gas etc  
[www.gov.uk/government/publications/flights-to-and-from-the-uk-if-there-is-no-brexite-deal](http://www.gov.uk/government/publications/flights-to-and-from-the-uk-if-there-is-no-brexite-deal)  
[www.gov.uk/government/collections/how-to-prepare-if-the-uk-leaves-the-eu-with-no-deal](http://www.gov.uk/government/collections/how-to-prepare-if-the-uk-leaves-the-eu-with-no-deal)  
Previous documents confirmed that UK Government would guarantee ESF and ERDF project funding to the end of the programme (ie to 2023) if we leave with no deal.

### **Omnibus**

The Omnibus Regulations have been adopted. These are mid term changes to the Regulations for 2014-20, and are primarily aimed at continuing to simplify the Cohesion Funds (eg ESF and ERDF). Member States will be implementing them in due course, with changes to guidance from Managing Authorities. This has already started, with Interreg Central Europe amending their Implementation Manual in August.

The full Omnibus document covers some 726 pages, but changes to the Regulations are clustered in Part Two. So changes to the ERDF Regs are on the three pages 529-531 (article 271), ESF Regs on four pages 609-612 (Art 273) and the Common Regs seventy-seven pages 532-608 (Art 272). As previously reported, some items from ESF have been moved to the Common Regs (so refer to ERDF as well). So for example, Art 14 (Simplified Cost Options) of the ESF Regs is now amended to refer to the Common Regs (Art 67 and 68).

Specific changes include -

(Art 68a) timesheets no longer required for staff working part of their time on an EU funded project, providing their employer has issued a document stating the percentage of time.

(Art 68b) projects can use staff costs, plus 40% for other costs, **plus** actual participant costs (useful for example with ILM projects).

It is not known how long it will take to implement these changes in ESF and ERDF in England, organisations should wait until guidance is issued. It is also quite possible that the changes will only be for use by new projects, not existing ones or extensions.

### **Non attendance at Partnership meetings**

On 28th September the Chairs of the LEP level ESIF committees were sent a letter from DWP concerning the work to get claims to Brussels to reach the N+3 target. This will be prioritised in October and November, with all non-urgent work de-prioritised. It states that DWP staff will not be attending the local LEP level ESIF committees for the next couple of months, where the partners meet to discuss ESF and ERDF issues.

### **UK Shared Prosperity Fund**

Pre-consultation meetings are continuing. OCS (Office for Civil Society) is also holding meetings in some areas (Lancashire was on 24th September). The consultation Green Paper is still expected by the end of 2018, but is now thought to be due in November. This will launch a formal consultation across the UK.

The government's manifesto stated that the money (replacing the £9.7bn ESF and ERDF we currently receive from Europe) will be used "to reduce inequalities", although the Statement of 24th July explained it would do this by increasing productivity.

Joseph Rowntree Foundation have produced a useful document -  
[www.jrf.org.uk/report/designing-shared-prosperity-fund](http://www.jrf.org.uk/report/designing-shared-prosperity-fund)

## **European Week for Regions and Cities**

Previously called “Open Days”, this brings together six thousand people across Europe to look at good practice, and discuss the future, in particular around ERDF and ESF. The opening presentation talked about solidarity, stronger involvement of citizens, tackling extremism, and the range of activities undertaken (barely a mention of Brexit). There were many interesting discussions, including on Community Led Local Development, Financial Instruments, Right to the City (for profits or people), Social Enterprise and Digital Cities.

## **Urban Innovative Agenda**

Europe (and the UK) is increasingly recognising the importance of Cities and their citizens as drivers for change, areas where there are extremes of wealth and poverty, but also great potential. As part of the Urban Innovative Agenda, Europe launched funds for cities to test out new ideas, and to get together with other cities to develop them through categories such as Air Quality, Jobs and Skills, Housing, Urban Poverty.

Birmingham was successful in 2016 in the first bidding round with a project on poverty. The results of the third bidding round were announced at the EWRC last week - Greater Manchester Combined Authority was successful (the only area in the UK - and the only bid in the North West), and will now proceed with £4m from Europe to run their project on Adaption to Climate Change (Ignition), linking with Amsterdam, Paris, Barcelona and Seville. Ignition will cover a new innovation centre to encourage investment in nature-based solutions.

## **ESF Project Bulletin**

The latest bulletin was issued on 25th September. It confirmed the 13th September note that ESF funding would be guaranteed to 2023 if there is no-deal. Virtually all ESF projects are on EClaims - it confirmed that from 28th September they would implement a new EClaims support function for ESF (not ERDF). This will give direct access for internal and external users to a dedicated IT support team, replacing the current process - further information is being issued. It also referred to the exchange rate changes, mentioned a Groundwork ESF project, and confirmed that there were no further additions to the ESF guidance or ESF Action Notes.

Email [esf.2014-202@dwp.gov.uk](mailto:esf.2014-202@dwp.gov.uk) and subscribe direct for your own copy of the Bulletin.

## **ERDF Practitioner Network Bulletin**

The latest edition was on 26th September. This also confirmed ERDF funding guaranteed to 2023 whether or not there is no deal. There is a feature on the top five errors, and twenty-one links to guidance booklets and other documents. There is a description of a project for energy efficient heating systems in Gateshead, and an update on the “Northern Powerhouse” Financial Instrument. as well as a reminder to send in claims for the N+3 deadline. To subscribe to the updates, email [esif@communities.gov.uk](mailto:esif@communities.gov.uk)

## **ESIF Programme Bulletin**

Issued on 28 Sept, refers to the no deal technical notices, some detail on calls, a reminder of N+3, and the exchange rate changes. 111 of 225 ERDF projects are now using EClaims, so we are just about at fifty percent adoption. There was a spotlight on three projects, including the Cumbria Innovations Platform to support SMEs in Cumbria run by Lancaster University.

Email [esif@communities.gov.uk](mailto:esif@communities.gov.uk) for your own copy of the Bulletin.

## **Network for Europe**

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**European Union**

European Structural  
and Investment Funds