

## **European Update 26th July 2018, from Network for Europe Cheshire, Cumbria, G Manchester, Lancashire, Liverpool CR**

### **Headlines**

UK Shared Prosperity Fund (email for more information)  
Guarantee if no deal  
More ESF calls  
Mid Term revisions

### **UK Shared Prosperity Fund**

For the current seven year programme nearly ten thousand million pounds is received by the UK from Europe for ESF and ERDF. The Conservative Party Manifesto referred to this being replaced by a UK-Shared Prosperity Fund. Until now, it has not been clear what this would be.

There were some consultation meetings in 2017, but these were not followed up. The proposed Green Paper was put back to later in 2018.

It was then stated that there would be a set of pre-consultation meetings held regionally, with the first two in the Midlands, and then others in the regions (including the North West) in July or early September. It has proved difficult finding out about the meetings, or who will be invited (although recently the ESF and ERDF Bulletins have given a contact email). As far as can be discovered, the Midlands meeting invited LEP representatives, but appeared not to have had time to invite third sector representatives. This was discussed at an ERSA-NCVO meeting recently. The pre-consultations are expected to be followed by the Green Paper - perhaps late September or October.

Clearly, the UK-Shared Prosperity Fund is important for the third sector. In some areas, around a third of ESF goes directly to third sector organisations, and around five to seven per cent of ERDF. Further ESF funding goes indirectly to the third sector. This is used for a range of activities, in particular tackling poverty, working with disadvantaged groups, and supporting areas that are lagging behind. For these European Funds, partnership working, including involving the third sector, is required at all levels, from initial discussions, strategies, monitoring, calls, and delivery. Europe has also been pushing for more Simplification (although this has been an issue in England). The money is long term, and requires strategies and joined up thinking.

On 24th July, a written statement from MHCLG was issued concerning the LEPs and also the UK Shared Prosperity Fund. This is worth reading carefully.

It refers to the publication "Strengthened LEPs". This tackles some of the issues of the LEPs, to make them more fit for purpose, for example requiring them to be a legal entity, stopping them charging membership fees (so that they are more open) and having open AGMs. This is also a response to the Public Accounts report on the governance of the GCGP LEP, and last year's six week review of LEP governance and transparency. Overlapping boundaries would be removed, and greater alignment with Combined Authorities (while retaining Private Sector acumen). It would seem that the intention is to transform the LEPs into bodies capable of receiving most or all of the UK Shared Prosperity Fund, possibly through a mix including bidding procedures. It states on page 12 that the LEPs are set a single mission to deliver Local Strategies to promote productivity.

The 24th July written statement has five indents on the UK Shared Prosperity Fund. the first states that it is to tackle inequalities between communities by raising productivity. (??)

Meanwhile the other 27 countries in the Union have been discussing the future of ESF and ERDF for 2021-27 (which is what we will be replacing with UK-SPF). ESF is renamed ESF+, and the proposals are for increased support to tackle poverty (including through provision of food), more support for social enterprise, and an increase in the minimum amount of ESF used for Social Inclusion (from 20 to 25 per cent of the funds).

[www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-07-24/HCWS927](http://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2018-07-24/HCWS927)

[www.gov.uk/government/publications/strengthened-local-enterprise-partnerships](http://www.gov.uk/government/publications/strengthened-local-enterprise-partnerships)

If you want information on the UK-Shared Prosperity Fund, or would like to attend a pre-consultation meeting, email [ukspf.engagement@communities.gsi.gov.uk](mailto:ukspf.engagement@communities.gsi.gov.uk).

It may be that the third sector will want to call its own meetings to discuss the proposals for this funding.

### **Five Years**

The ESF and ERDF programmes will run their full course funded by Europe (ie for the next five years - to 2023) as explained in previous updates. This is of course based on the agreements so far with Europe, and is thus dependent on a final agreement.

A new letter was issued on 24th July from Julia Sweeney to confirm that in the event of no deal, the Treasury will guarantee payments. This is not unexpected, and is a reasonable provision.

The letter confirms that in 2016 the UK guarantee was for projects contracted to March 2019. It says “The Government has today announced an extension to this guarantee, which will now cover the full 2014-20 programme period and allocation in the event of a no deal.”

[www.gov.uk/government/news/funding-from-eu-programmes-guaranteed-until-the-end-of-2020](http://www.gov.uk/government/news/funding-from-eu-programmes-guaranteed-until-the-end-of-2020)

### **ERDF Calls**

The last calls were on 2nd March, almost all with a deadline of 20th April. These are now being appraised. As in this current programme, this is expected to take quite a while. Next planned calls are October 2018 and March 2019.

### **ESF Calls**

ESF calls started to go out in 2018 from 26th March, and so far there have been 26 calls, for a total of £86.75 million (this includes five calls, for £28.865m for Cheshire and Warrington). The first couple of calls had deadlines of 8 weeks, since then, this has generally been ten to twelve weeks. Previously, where a minimum was stated for ESF projects it was between 50k and 500k from Europe. In the current batch, minimum EU amounts vary from £50k per project up to an astonishing £8,000k.

Funding via large projects is inherently unstable. It may appear to reduce bureaucracy initially, but with sub-contracting this increases. And of course it encourages generic bids, which take longer to appraise.

The Cheshire and Warrington calls are -

	£m	£mMinEU	Call	Deadline	Description
1.1	7.448	3.000	14/6/18	6/9/18	Helping unemployed and inactive to work
1.2	2.552	0.500	9/7/18	28/9/18	Young people
1.4	2.900	1.000	9/7/18	28/9/18	Multiple disadvantage
2.1	14.800	8.000	10/7/18	28/9/18	Large & Small employers work together
2.2	1.165	0.500	12/6/18	4/9/18	Support employers to promote careers

Full details at <https://www.gov.uk/european-structural-investment-funds>.

A list has been produced of likely timing for future calls, although there will be changes over time. The list included Cumbria with calls in mid October, mid February and early March, but these could change.

Liverpool was expected to have calls in early June, but these were put back due to the ESFA announcements. Liverpool CR is now expecting to announce a call (direct bidding) for £3m under P2.1 for apprenticeships. Through the ESFA (no match required) calls would be P1.1 £2m for Skills support for unemployed, P1.2 £2.5m Wrap around support for young people with learning difficulties or with disabilities, and under P1.4 £3m for Community Grants.

### **ESFA Calls**

As in our previous updates, ESFA has now identified additional match, and will be issuing calls to the end of the current programme. This has happened in a rush, so there has not been time to properly consult with the Partners.

It is expected it will produce generic England-wide proposals, to be delivered at LEP level, covering Priority Axes 1.1 (unemployed), 1.2 (NEET), 1.4 (Community Grants) and 2.1 (skills). It seems that the five LEP areas in the North West will sign up for some or all of these. Invitations to tender are expected to go out on 31st July, open for 28 days. Timing could change.

### **Local Co-Finance Organisations**

At the start of the current programme, Co-Finance Organisations needed to have a national remit (HMPPS, DWP, ESFA, Big Lottery). This was then changed, so that local organisations could also become CFOs, with the expectation that this would probably be for each of the eight core cities, and connect to the devolution agenda. In the event, Greater Manchester was the only organisation outside London to apply for this status. Once agreed, GM had a bidding round for a huge ESF project (fifty-two million pounds).

Liverpool City Region has now said it will apply for CFO status.

### **YEI-ESF Youth Employment Initiative**

This is only available in Merseyside. Projects are being granted extensions, although this does seem to be taking rather a long time.

### **Mid Term Reviews**

The English **ERDF** Operational Programme was revised slightly, but has now been revised again - hopefully it will be a little easier to reach targets.

The English **ESF** Operational Programme has been revised more substantially, and the document was finally submitted to the European Commission a few weeks ago. It is hoped that this will be approved soon (perhaps by the end of July). This brings in changes in sub-priority allocations, and a more flexible Priority Two.

The **Omnibus Proposals** (changes to the European Regulations) were agreed at the end of last year, but do not come into effect until they are published in the Official Journal. We recently asked the Commission, and they said this should take place in the next few weeks. The changes are mainly on Simplification - member states can implement the changes once the documents are published.

### **ESIF sub-committees**

After some quite substantial gaps, the North West ESIF committees seem to be meeting again.

Meetings this year -

Cheshire and Warrington met on 1st March, 8th May, 21st June, next due November.

Manchester met on 6th July.

Liverpool on 17th April, and 17th July, next due October.

Lancashire on 27th June.

For England, there is only one ESF and one ERDF Programme, but fit with local strategy is devolved down to local LEP level. Note this is not to the LEPs (as they don't have proper partnership involvement), but to LEP level ESIF committees, which are sub-committees of the national Growth Board.

### **ESIF Programme Bulletin**

In the June update is a feature on Cornwall's Widening Participation ESF project, an update on ERDF, ESF and EAFRD calls and projects, and reference to guidance documents and Action Notes. EClaims is developing. Most ESF projects are using it. The 28 ERDF projects using it has now increased to 61.

The July update reminds us of the 2018 targets, gives more details on the rural (EAFRD) round that recently finished, contact details for UK-SPF, and examples of projects including Sensor City in Liverpool. It lists new twitter accounts.

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

### **ERDF Practitioner Network**

The June Update has information on Priority Axis 2 (ICT), with 22 projects approved so far (the Connecting Cheshire project is featured), a reminder of the ability to sign up for email updates when calls go live, and reference to a new "Yammer" forum. There is a reminder of the need for the programme to hit the N+3 and Performance Targets (and thus to get claims in).

The July Update has been sent out by MHCLG. There is a reference to the no deal guarantee letter and a feature on procurement. For those interested in the discussion workshops on the potential future UK Shared Prosperity Fund it says to email [ukspf.engagement@communities.gsi.gov.uk](mailto:ukspf.engagement@communities.gsi.gov.uk). It refers to the proposals to 'supercharge economic growth' through the LEPs.

[www.gov.uk/government/news/government-proposes-shake-up-of-local-enterprise-partnerships](http://www.gov.uk/government/news/government-proposes-shake-up-of-local-enterprise-partnerships)

There are two case studies, including Lancashire's Health Innovation Campus.

To subscribe to the updates, email [esif@communities.gsi.gov.uk](mailto:esif@communities.gsi.gov.uk)

### **ESF Project Bulletin**

The July update has information on ESF Photo Competition 2018 (deadline 14th September), and more on claims. There is a contact email for information on the UK-Shared Prosperity Fund meetings, and an update on guidance issued.

### **ESF Transnational Platform - Thematic Network on Simplification**

This held its ninth meeting in June, attended by 85 representatives from 25 Member States (including the UK), primarily from ESF Managing Authorities, Audit Authorities, and the European Commission. The meeting was focussed on working with together to identify good practice, and continue to develop the Simplification Agenda.

### **Network for Europe**

[info@networkforeurope.eu](mailto:info@networkforeurope.eu)



**European Union**

European Structural  
and Investment Funds