

**Lancashire Enterprise Partnership Limited**

**Private & Confidential: NO**

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**European Structural & Investment Funding 2014-20 Update**

**Report Authors: Sean McGrath, Development and Corporate Resources,  
Lancashire County Council. Andy Walker, Head of Business Growth  
Lancashire County Council**

**Executive Summary**

The report sets out the latest position on the development of Lancashire's European Structural and Investment Funds (ESIF) Strategy, in particular

- Operational Programme development
- Project calls/launches
- Project pipeline development

**Recommendation**

The LEP Board are asked to:

- (i) note the report,
- (ii) Agree that the outcome of the ESIF pipeline review be referred to the Lancashire ESIF Partnership to inform the development of ESIF Implementation Plan; and
- (iii) That a report be considered at the next meeting of the Board setting out the detail of the ESIF Implementation Plan, alongside other LEP priority activity and initiatives.

**Background and Advice**

**1. European Structural and Investment Funds programme 2014-20 Implementation**

- 1.1 As reported at previous meetings the Government has established a National (England) Growth Programme for EU funding over the period 2014-20 with



- Lancashire having a notional allocation of £231m. The allocation is split approximately £137m ERDF, £90m ESF and £4m EAFRD.
- 1.2 In order to access this funding all LEPs have submitted a European Structural and Investment Funds (ESIFs) Strategy. The final version of the ESIFs Strategy will not be confirmed by Government until after the European Commission (EC) has agreed the Operational Programmes for the European Regional Development and European Social Funds (ERDF/ESF).
  - 1.3 The ERDF and ESF programmes were originally due to be approved in July 2014. At the time of writing this report, the ERDF and ESF Operational programmes are not expected to be formally approved until sometime in June 2015, with the EAFRD programme having been formally approved in March 2015. However, the latest draft of the ERDF Operational Programme no longer includes a Transport priority, for which Lancashire originally allocated £7m. As a result of this change, and any others resulting from negotiations between the UK Government and the EC, it will be necessary to alter/update the Lancashire ESIF Strategy in the light of the finally agreed Operational Programmes.

## **2. First Round ERDF/ESF/Opt In Calls**

- 2.1 The Lancashire ESIFs Partnership, the local advisory/governance body for ESIFs resources, agreed at its meeting on 5<sup>th</sup> March for a limited number of calls to be issued prior to the beginning of General Election Purdah. The Partnership agreed to support the development of Lancashire's Business Growth Hub (Boost), a key LEP priority, by issuing two ERDF calls (related to Theme 2 of the Lancashire ESIFs Strategy). It also agreed to support an ESF call to support the Mental Health Trailblazer Pilot project in Blackpool (related to Theme 6 of the Lancashire ESIFs Strategy, which is one of the LEP's agreed Growth Deal projects). The Partnership also agreed calls related to national business support products focusing on the Manufacturing Advisory Service, Growth Accelerator and UKTI activity.
- 2.2 On 5<sup>th</sup> June the BIG Lottery launched its Building Better Opportunities Initiative matching ESF resources with BIG lottery funds. In Lancashire this has resulted in a £12.5m programme focusing on supporting those groups/ individuals furthest from the labour market into training and employment. The first calls in Lancashire will target young people, aged 14-19 (or up to 25 for young people with LLDD) who are not in education, employment or training (NEETS) and those aged 50+ with low or no skills, with further calls for other disadvantaged/vulnerable groups in the Autumn.
- 2.3 The SFA has now submitted a funding application worth £66m (£40m ESF/£26m match) to the Department for Work and Pensions (DWP) to support skills activity across Lancashire, based upon priorities from the LEP Skills Board. It is expected that the application will be considered by the ESIF Partnership in the summer/early autumn (although the Partnership has already

been presented with the indicative detail of the application) with activity to start in 2016.

### **3. Lancashire ESIF Priorities and Pipeline Development**

- 3.1 As the Board will be aware the Lancashire ESIFs Strategy was originally drafted to be agreed by Government in 2014. Since its last iteration some of the detail of the ESIF Operational Programmes has changed (see above) and the LEP has been successful in its Growth Deal submission. As a result it seems an appropriate point at which to revise the ESIF strategy and realign with recent developments. However, the revision cannot be completed until all the Operational Programmes have been formally approved by the EC.
- 3.2 LEP officers are now in the process of contacting partners to fully understand the range and nature of projects and project ideas that could be supported through ESIF resources. This will be followed-up by an information/practitioners event in July this year looking at the lessons learned from the current programme and developments in the new programme. The event will involve presentations from other public funders such as Access to Finance and private sector fund managers, as well the Department for Communities and Local Government, the overall Managing Body for ESIF Funds. This is follow on activity from previous requests for projects from local partners and ESIF consultation events.
- 3.3 At this point, over 400 partners from the private, public and third sectors have been contacted and asked to complete a short pro-forma that can be used to undertake an initial review of the strength of emerging proposals, their eligibility and relevance to agreed strategic priorities. The basis for LEP prioritisation will be the Strategic Economic Plan, as well as major initiatives identified in key investment programmes such as the LEP's Growth Deal programme. The Pro forma are due to be submitted by 3<sup>rd</sup> July 2015.
- 3.4 The outcome of the review will be used to assist the Lancashire ESIF Partnership in understanding the types of projects that fit with LEP priorities and, in particular, developing an indicative ESIF Implementation Plan setting out a schedule of call activity (and funding allocations) for the next three years. This informationl also help inform any revisions to the ESIFs Strategy including movements in financial allocations between different themes.