



**European Union**  
European Structural  
and Investment Funds

**European Structural and Investment Funds**  
**2014 - 2020**

**Growth Programme for England**

## **ESI Funds Growth Programme Board**

### **Progress on EAFRD Growth Programme**

#### **Purpose:**

To provide the Board with an update on the current position on the EAFRD part of the EU Growth Programme.

#### **Recommendations:**

The Board is invited to note the information set out in this paper.

#### **Summary:**

During 2015, calls totalling £24.5m were issued in 27 of the LEP areas with RDPE funding. The Rural Payments Agency (RPA) has completed processing 17 full applications arising from the March calls and funding totalling over £1.43m has been agreed. 88 full applications from the July, August and September calls continue to be assessed and contracted. Currently £4.01m of funding has been agreed for these calls, making a total commitment of £5.44m.

The RPA has completed discussions with the LEP areas to refresh their spending priorities and agree plans for launching up to £122m worth of calls early in 2017, subject to agreement from HM Treasury in the light of the 3 October announcement on EU funding. New arrangements to improve the quality of calls and to accelerate the application processing arrangements will be in place to complement the new rounds of calls.

#### **EAFRD GROWTH PROGRAMME UPDATE**

1. Overall, during 2015, calls totalling £24.5m were issued in 27 LEP areas with RDPE funding.
2. The **initial set of calls** for EAFRD applications, issued in five LEP areas in March 2016 generated 17 full applications worth £2.4m. The Rural Payments Agency has completed assessment of these applications and has approved and contracted 11 projects in five LEP areas (Worcestershire, Coventry and Warwickshire, Greater Lincolnshire, South East and South East Midlands). The RDPE Growth Programme has provided £1.43m towards total project costs of almost £4.4 million. Projects are now submitting claims and £50,000 of project funding has been paid by the RPA. Five of the projects are supporting the processing and marketing of agricultural products and the remaining six are supporting the business growth of

small and micro-enterprises. Examples of food processing support to develop new technology include £71,000 of funding for a mushroom producer investing £310,000 in total to install a new packing line, creating 10 jobs. EAFRD funding of £98,000 has been offered to a project investing £350,000 in new technology to provide packaging machinery for a salad packing company. This will support the creation of 5 new full time jobs and underpin the development of £500,000 of new sales with a major supermarket.

3. A total of 41 further calls were issued in 26 LEP areas over **summer 2015** in 3 tranches, with a total value of £21.2m. These invited applications for Business Development, Tourism and Food Processing projects, and ranged in size from £75k to £2.5m. The RPA received outline applications amounting to £37.19m in response to these calls. These were assessed by the RPA with advice from local ESIF sub-committees, and 88 projects were invited to submit full applications requesting total grant funding of £13.38m. These projects are now being assessed and funding to a value of £4.01m has been agreed. Of the remaining applications, £6.62m applications are being assessed; applications with a value of £1.27m have been rejected or withdrawn. Full applications with a worth of £1.48m have not yet been received by the RPA from projects invited to submit at this stage. The overall amount of funding so far committed under the EAFRD Growth Programme is, therefore, £5.44m.
4. LEPs have indicated that they want to issue a further round of Business Development, Food Processing and Tourism calls, worth up to £122m, in early 2017. This remains subject to final agreement with HM Treasury on how the Chancellor's new conditions on value for money and fit with national priorities can be applied across the full range of RDPE environmental, agricultural and socio-economic schemes. These are intended to be national-level calls, but will reflect the local needs and priorities of each LEP area, and will be open for at least 12 months with regular review periods.

Finally, work is continuing to address the two major areas of concern identified from experience with the 2015 rounds. **The quality and focus of the calls** is being addressed in collaboration with LEPs through the development of clear Strategic Targeting Statements to set out the local priorities for inclusion in the new calls. To **improve and accelerate the processing arrangements of outline and full applications**, work is progressing on introducing a new, simpler Expressions of Interest (Eoi) stage in place of Outline Applications and new arrangements to reduce the demands placed on ESIF Sub-Committees where applications are unchanged from Eoi to full application stage.

Andrew Robinson, Defra  
30 November 2016

**Annex 1**

**EAFRD GROWTH PROGRAMME UPDATE**

Calls Progress Chart (March 2015 to November 2016)

