

European Structural and Investment Funds (2014-2020)
Growth Programme for England

ESI Funds Growth Programme Board

GPB 2015/12/16 Item 4 (i)

Progress on ESF *(please note this paper should be printed in colour)*

<p>Purpose: This paper provides an update to the Board on the ESF Programme, both on the ESF Operational Programme and on ESF calls and applications for funding.</p>
<p>Recommendations: That the Board notes the current position.</p>
<p>Summary:</p> <ul style="list-style-type: none"> • We have made good progress in committing a substantial amount of the programme. • The picture differs across the country and across the Investment Priorities. • Further calls will be developed in the coming weeks with a focus on where the gaps are largest.

Calls and applications update

Open Calls

1. There are currently five open calls all of which are focused on Investment Priority 1.5 Community Led Local Development they are:
 - a. South East Midlands – OC31S15L022
 - b. North East – OC25R15L0224
 - c. Greater Cambridge & Greater Peterborough – OC13S15L0221
 - d. Humber – OC18R15L0220
 - e. Leeds City Region – OC20R15L0223

Application status

2. The 135 outline applications received in response to the direct calls so far for ESF/YEI have a combined value of £234m. The MA has taken through 85 applications for the ESF/YEI open calls to full application stage. These full applications have a value of £183m. Of these full applications 26 are YEI and 59 are ESF. These applications are being appraised and we will be able to provide actual amounts of ESF which has been allocated once Funding Agreements have been signed. Full applications have now been received for all the Direct Bids

submitted in response to the Open Calls that closed in May. To date, three full applications have either been rejected or withdrawn.

YEI

3. The MA has taken 26 YEI applications through to full application. £86,638,807 worth of the YEI specific allocation has been requested.

TA

4. 36 TA applications have been taken through to full application stage so far with a total ESF requested amount of £11,881,023. This is against a national TA allocation for this TA call of £60,000,000.

ESF Opt-in / Co-Financing Organisations (CFOs)

BLF Applications

5. There have been 42 Big Lottery Fund applications. They covered £172.6m of ESF with a total project value of £332.6m.

DWP Applications

6. There have been four applications from DWP. These applications are for £19.3m of ESF with a total project value of £38.6m.

NOMS

7. NOMS have put in a single application which covers England with the exception of Cornwall and the Isles of Scilly. The application is for £131m of ESF.

SFA Applications

8. There have been 83 SFA applications, with the value of ESF applied for being £724m, and a total project value of £1.1bn. The applications have been processed and approved. There has been a delay in the physical signing of the MoUs pending resolution of the impact on the Agency of the Spending Review. We now have an agreed way forward on that.

Commitments at Priority Axis level

9. Taking the direct calls and the CFO applications together, we are making good progress against the financial values in the Operational Programme. The table below shows the percentage of the funds which would be committed if all of those applications go through to funding agreements.

	Less Developed	Transition	More Developed
Priority Axis 1	26%	45%	53%
Priority Axis 2	38%	48%	49%

10. However, the picture is not universally positive across the country. In six LEP areas the total percentage committed is less than 30%. In the next round of calls we will need to prioritise those areas which are further “behind”, mainly as a result of choosing a lower level of opt-in take-up.
11. Discussions with local areas about the ESIF strategy refresh have also highlighted that at aggregate level there is greater demand for the Investment Priorities covering young people and social inclusion than envisaged in the Operational Programme. If we assume the spend follows the same pattern, this implies that we will need to propose a modification to the OP.

Next steps

12. We aim to process full applications from the May call and, where appropriate, approve before the end of the year. This will allow activity to start, something which is particularly pressing for YEI. We are dependent on applicants responding to our questions promptly and clearly.
13. Technical Assistance applications are also at full application stage. They will be going out to LEP area ESI Fund sub-committees for consideration in the coming weeks.
14. The next calls are under consideration and may follow as early as early December. These will focus on the areas where the gaps between commitment and allocation are greatest.

27 November 2015
Anne Donkin, DWP

Annex 1 – Value of Applications by quarter

Annex 2 – Value of Applications by Category of Region

Annex 3 – Value of Applications by Investment Priority

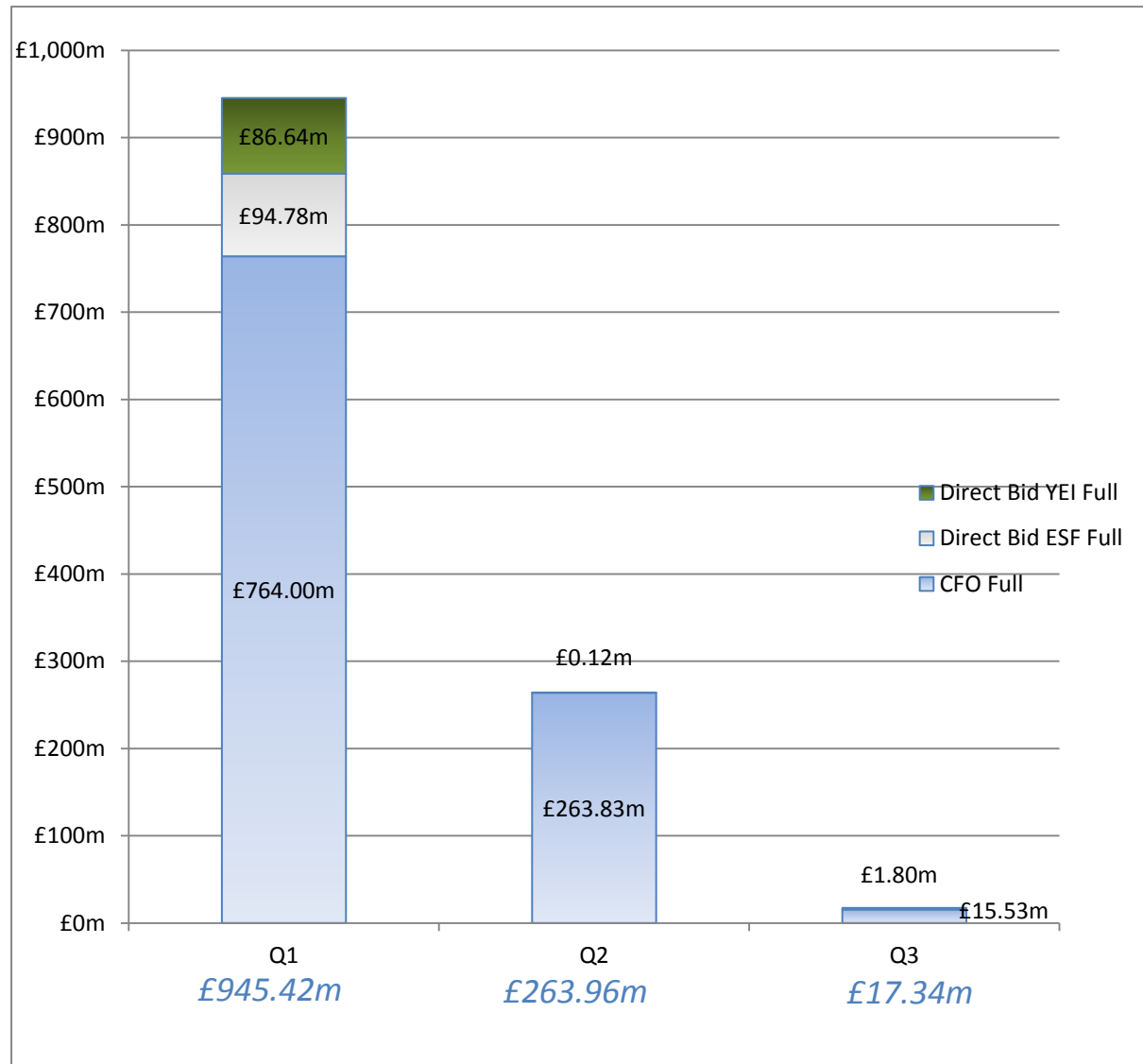
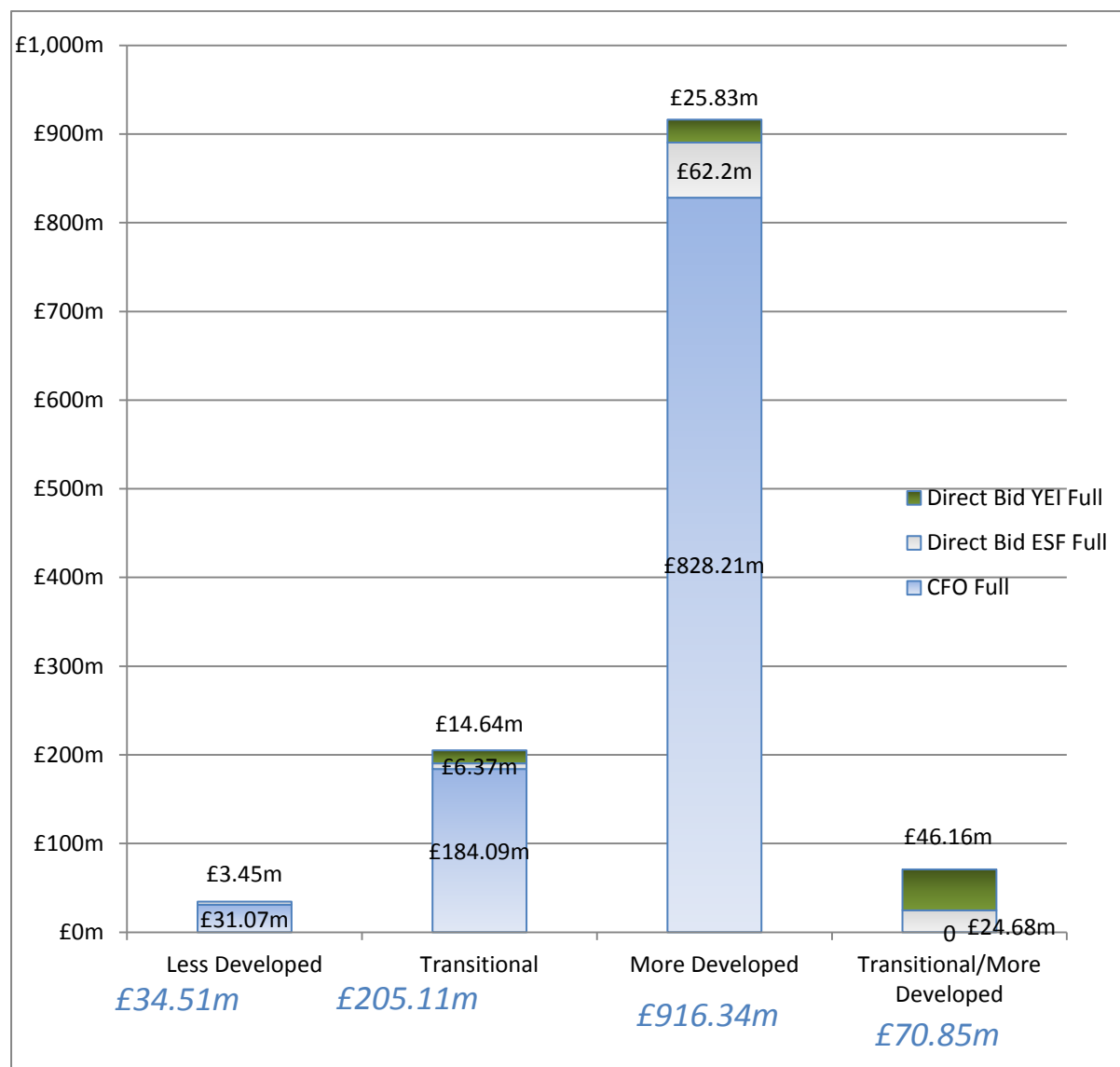
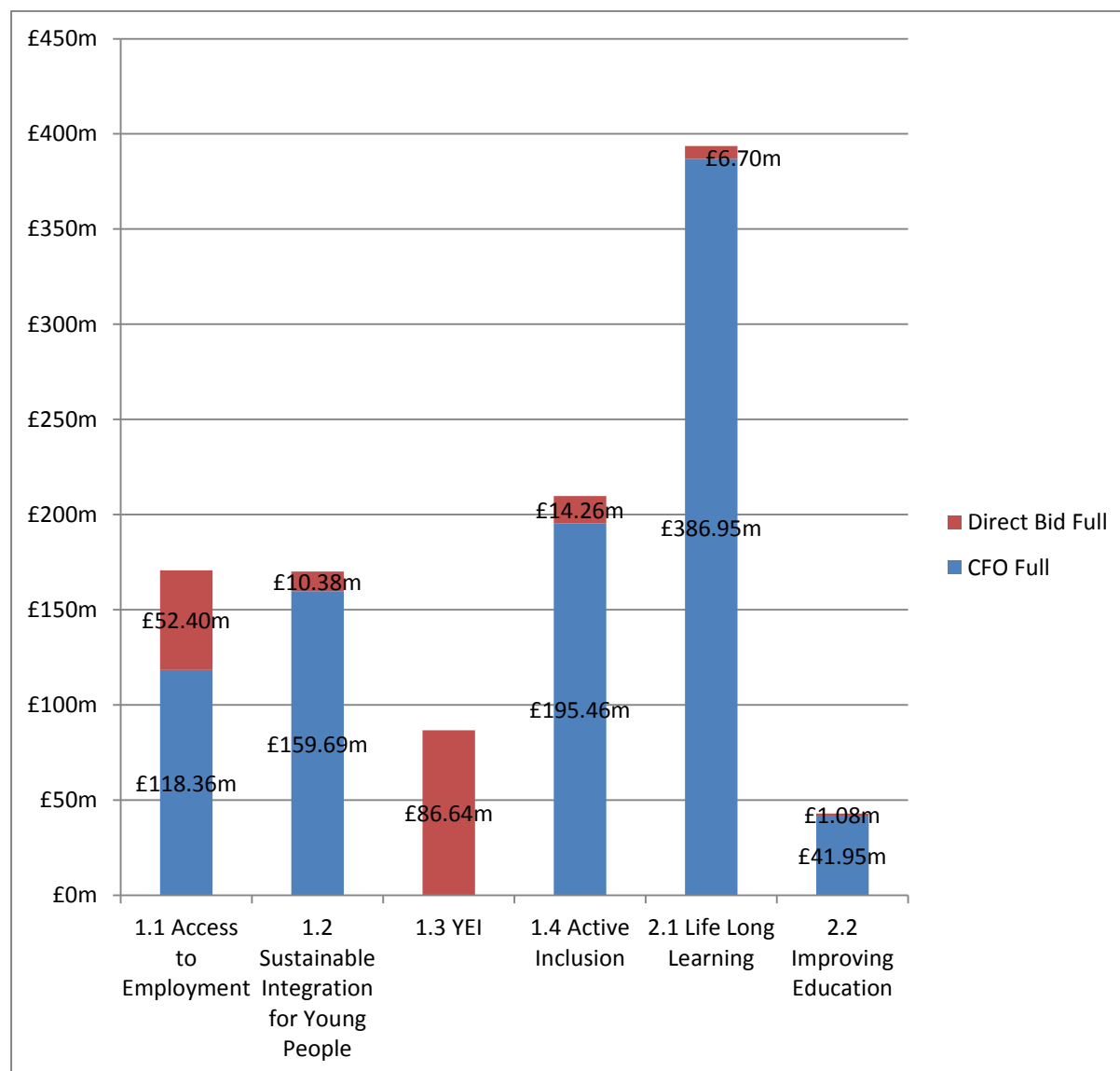
Fig 1: Value of Applications by Quarter

Fig 2: Value of Applications by Category of Region

Value of full applications by Category of Region, showing the split:

- Direct Bid YEI Full
- Direct Bid ESF Full
- CFO Full

Fig 3: Value of Applications by Investment Priority *

*Given ESF covers only two Priority Axes (not including TA) the data is broken down by Investment Priority to provide more granularity.