



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 37 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 £1.5m has been agreed. Full applications from the July, August and September calls, amounting to nearly £18m, are now being assessed.

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 in autumn 2016, subject to agreement from HM Treasury in the light of the 13 August announcement on EU funding. New arrangements to improve the quality of calls, e.g. through writing workshops, and to accelerate the application processing arrangements will be introduced to complement the new rounds of calls.

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1. Overall, during 2015, calls totalling £24.5m were issued in 27 of the 37 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 will be providing £1.4m towards total project costs of almost £4.4 million. 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 include providing £130,000 towards the costs of an automated flower grading and bunching line, which will create 10 new

jobs and help secure the existing 80 jobs at the company; and a wine processing and bottling project for a newly-established vineyard which is receiving grant of £143,000 to produce quality English wine and create six full time jobs.

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 have been assessed by the RPA with advice from local ESIF sub-committees, and 88 full applications have now been received and are being processed.
4. Defra and the RPA Rural Development Team are also finalising discussions with LEP areas on their wishes to launch further calls **this autumn**. Any decision to go ahead with these calls will be subject to discussion with HM Treasury given the terms of the EU funding announcement on 13 August. LEP areas have flagged up a wish to issue £122m of calls over 12-18 months for Tourism, Business Development and Food Processing. RPA held a constructive meeting with LEPs on 26 July to discuss their plans for the size and focus of these calls and will be contacting LEPs again over the late summer to reaffirm local priorities.
5. Experience with the 2015 rounds identified two major areas of concern that need to be addressed, especially in an attenuated programme period. Firstly, the **quality and focus of the calls** needs to be improved. The RPA discussed this with the LEPs on 26 July and proposes to address the issue through a new calls structure which would see a common national framework supplemented by tailored contributions setting out specific local priorities. The RPA is also developing plans to undertake some applicant workshops before issuing any calls to help improve the quality of applications and start building a strong pipeline of projects as early as possible
6. Secondly, the RPA has developed plans to **improve and accelerate the processing arrangements** of outline and full applications. The broad scope of the process would be unchanged but it is expected that the time from submission of the first stage application to funding decision would be reduced to around 7 or 8 months. The new arrangements include:
 - The RPA asking applicants to submit an 'Expression of Interest' which would be checked for eligibility of applicant and activity, and assessed and scored for local strategic fit. As is currently the case, project summaries, including the recommended score of local strategic fit, would be provided regularly (probably on a monthly basis) to the Local Area ESIF Sub-Committees to enable them to give advice on the local strategic fit of projects.
 - Where a project did not change materially from the Expression of Interest stage, RPA appraising the full application and making the funding decision. Where there was a material change to the project, a summary of the full application appraisal would be provided to the ESIF Sub-Committee to get advice on the local strategic fit of the changed project.

Andrew Robinson
30 August 2016

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Calls Progress Chart (March 2015 to August 2016)

