



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:

The amount paid to projects which secured funding under the 2015 offers now stands at £6.1m, creating 99 FTE jobs.

As at 1 June, the RPA had logged 1,377 EOIs in response to the 2017 offers for food processing, business development and tourism infrastructure projects. These offers closed on 31 May, and applications are still being processed, but at 1 June funding requests totalling £248.3m had been logged. A number of EOIs had still to be logged, which will increase the total.

So far, 815 EOIs have been assessed by the RPA and ESIF sub committees as meeting local strategic priorities and invited to submit Full Applications. 306 projects have submitted Full Applications, seeking funding worth £66.1m. From these, 147 projects have been awarded funding of £28.8m, with £3.07m paid to date. A further 7 projects have completed all activity, creating 38 FTE jobs. 123 Full Applications are still being assessed and 29 projects have been withdrawn or rejected.

The Rural Broadband Infrastructure scheme received 23 applications requesting £86.02m. One contract for £10.5m has been agreed, one application has been rejected and 21 applications are either being assessed or awaiting approval.

EAFRD GROWTH PROGRAMME UPDATE

2015 Offers

1. The RPA is continuing to support projects which secured funding under the 2015 Growth Programme offers. 43 projects have completed all activity, confirming the creation of 99 FTE jobs from an EAFRD investment of £4.7m. A further 46 projects have contracts totalling £3.3m to support activity with commitments to create 458 jobs. Funds worth £1.4m have been paid to these projects in support of continued activity.

2017 Offers

2. As at 1 June, i.e. after the £165m worth of offers had closed on 31 May but before all of the applications had been loaded onto the RPA's system, 1,377 EOIs, totalling £248.3m, had been logged seeking funding for food processing, business development and tourism infrastructure projects. RPA is continuing to process these applications and final EOI figures are expected to be available by mid-June.
3. Full Applications have been received from 306 projects to date. Of these, 147 have secured funding worth £28.8m, 21 projects have withdrawn, 8 were rejected and 123 are being assessed. In addition, 7 projects have completed all activity with £3.07m paid for claims submitted.
4. The RPA will continue to work with ESIF sub committees to assess the EOIs. Once this work is concluded, Defra and RPA will have a clearer picture on the final demand for funding, and be in a position to consider, in conjunction with LEPs, what options exist for utilising any available funding.

Rural Broadband Infrastructure Fund

5. The Rural Broadband Infrastructure scheme closed to applications on 31 May. In total, the RPA received applications for the £30m from 23 Local Authorities, requesting £86.02m. One contract for £10.5m has been agreed, one application has been rejected and 21 applications are either being assessed or awaiting approval.
6. Following discussion on the rural broadband offer at the last Growth Programme Board, Defra representatives met with Dr Huw Edwards, Chair of Thames Valley ESIF Sub-Committee, and Paul Green of the Local Government Association. The meeting was an opportunity to explain the rationale for the requirements and outputs of the current offer and to discuss options for any future broadband schemes. This included a useful review by Dr Edwards of the alternative technologies used in other countries to deliver superfast broadband in the hardest-to-reach areas.
7. Application, contract and spend progress details are set out in Annex 1, and in graph form in Annex 2. Case studies of Growth Programme projects are attached at Annex 3.

Tony Williamson, Defra

EAFRD GROWTH PROGRAMME UPDATE**2017 offers:**

| As at 1 June | RDPE Growth Programme | Food Processing | Business Development | Tourism Infrastructure |
|---|-----------------------|-----------------|----------------------|------------------------|
| Number EOIs Received | 1,377 | 247 | 605 | 525 |
| Value of Grant Sought (£) | 248.3 | 73 | 72.1 | 103.2 |
| Number invited to Full Application | 815 | 172 | 385 | 258 |
| Full Applications received | 306 | 84 | 154 | 68 |
| Value of Grant Sought (£m) | 66.1 | 34.4 | 17.1 | 14.6 |
| Breakdown of Full Applications received by status | | | | |
| Number withdrawn/rejected | 29 | 14 | 5 | 10 |
| Number in appraisal/approved | 123 | 29 | 57 | 37 |
| Number Contracted | 147 | 43 | 87 | 17 |
| Value of contract (£m) | 28.8 | 16.9 | 8.5 | 3.4 |
| Value of grant paid to date (£m) | 3.07 | 2.22 | 0.81 | 0.04 |
| Number Projects closed | 7 | 4 | 2 | 1 |

Rural broadband infrastructure offer:

| As at 6 June | Rural Broadband |
|----------------------------------|-----------------|
| Full Applications received | 23 |
| Value of Grant Sought (£m) | 86.02 |
| Number withdrawn/rejected | 1 |
| Number in appraisal/approved | 21 |
| Number Contracted | 1 |
| Value of contract (£m) | 10.5 |
| Value of grant paid to date (£m) | - |
| Number Projects closed | - |

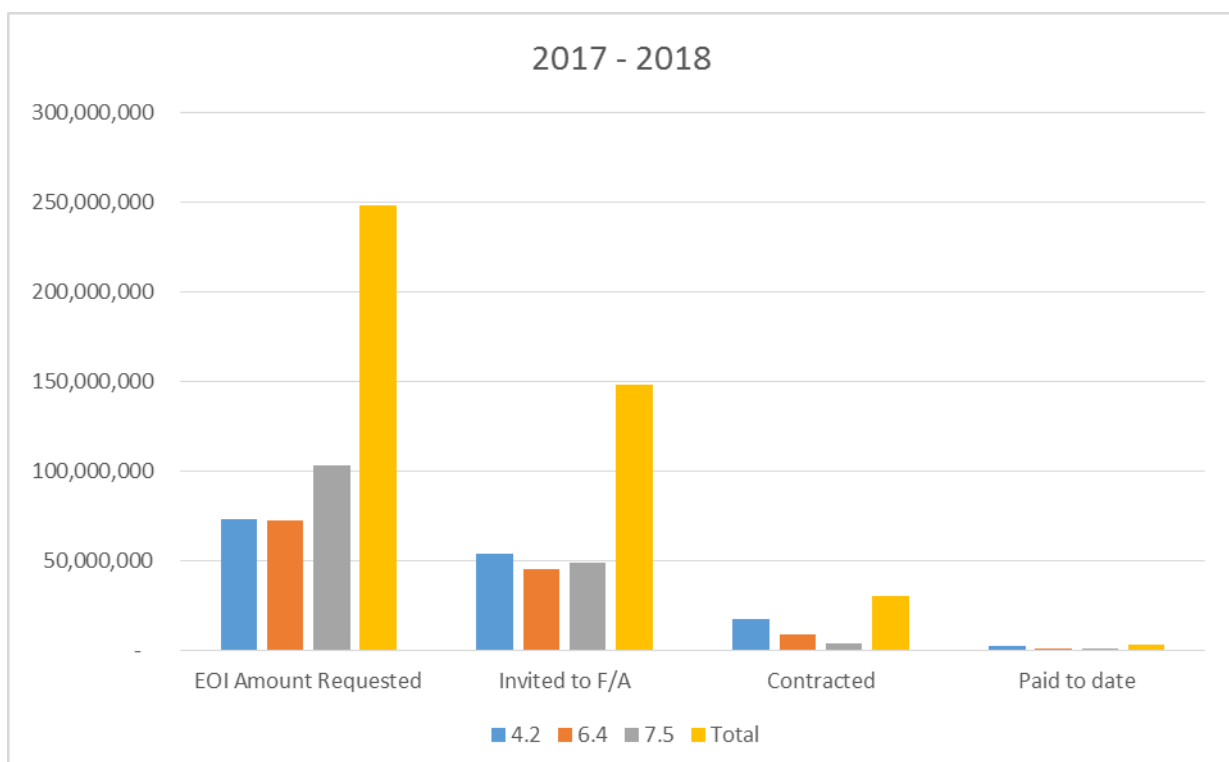
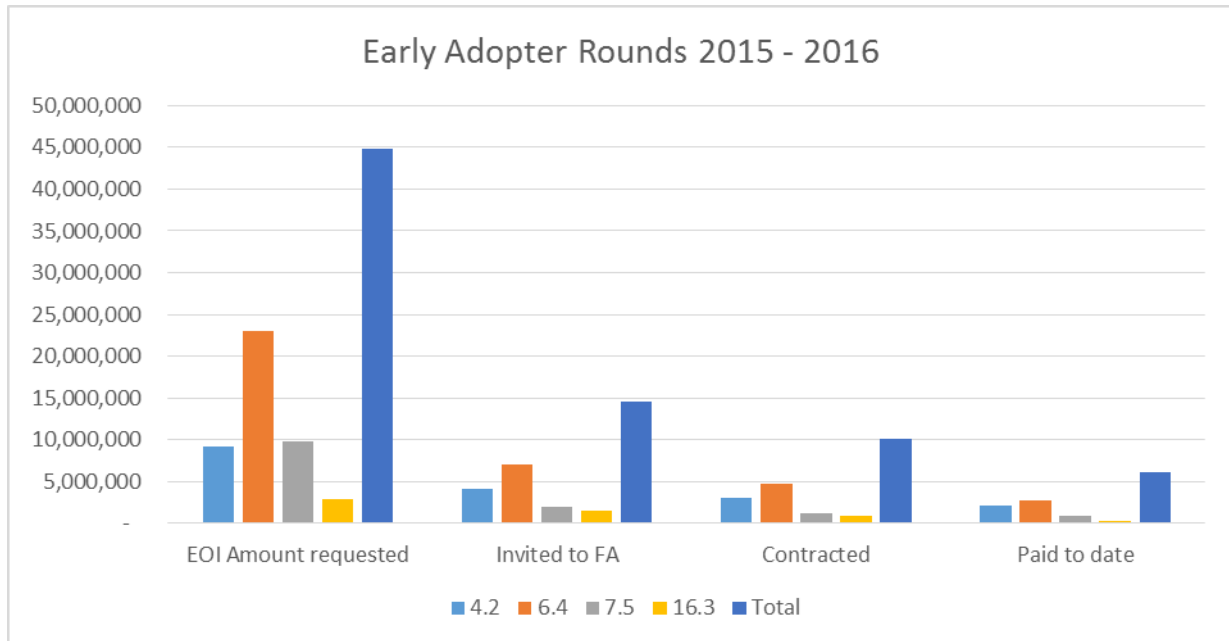
Project outputs to date by theme:

| 2015 & 2017 offers | RDPE Growth Programme | Food Processing | Business Development | Tourism Infrastructure and Cooperation |
|--------------------|-----------------------|-----------------|----------------------|--|
| Amount Paid (£m) | 9.17 | 4.17 | 3.4 | 1.6 |
| FTE Jobs Forecast | 1,527 | 828 | 501 | 198 |
| FTE Jobs created | 137 | 72 | 49 | 16 |

2015/2017 Number of contracts agreed by region:

| | Food processing | SME Support | Tourism |
|------------------------|-----------------|-------------|---------|
| East Midlands | 6 | 6 | 5 |
| East of England | 9 | 4 | 3 |
| North East | 1 | 13 | 6 |
| North West | 2 | 3 | 2 |
| South East | 11 | 2 | 2 |
| South West | 6 | 6 | 6 |
| West Midlands | 8 | 9 | 8 |
| Yorkshire & The Humber | 7 | 2 | 3 |
| Total | 50 | 45 | 35 |

Offers Progress Chart (March 2015 to May 2018)



Growth Programme case studies

Sylvan Enterprises Ltd, which designs and supplies furniture to the hospitality sector, secured a grant of £40,000 from D2N2 LEP towards the purchase and installation of new machinery. This has increased their capacity to produce wooden furniture, allowing them to expand into manufacturing furniture for the student accommodation sector. In addition, the firm introduced new energy-efficient technology through installation of a machine to convert waste products into briquettes to heat the factory. The overall investment of £100,000 is expected to create 5 part time jobs, equivalent to 2-3 full time job and potentially will double current turnover.

Poplar Farm Flowers Ltd in Lincolnshire has been awarded Growth Programme funding of £130,000 towards the purchase of a state of the art flower bunching and packing line. This investment will increase the output of the existing processing system by a forecasted 50%, allowing the business to supply more home grown produce to the supermarket sector. The investment is forecast to create 10 FTE jobs.

Bay Tree Cottage Accommodation and Country Living Workshops secured £136,000 to redevelop a barn and stable yard complex into mixed used accommodation and a workshop facility. The business could not meet the current demand so is expanding its existing bed and breakfast facilities by building 6 en-suite rooms, reception rooms and a kitchen in the stable yard. In addition, a bespoke workshop and office space will be introduced offering art, craft and gardening courses provided by local tutors. The investment will create 2.5FTE jobs and support the local rural economy by increasing the capacity to offer workshops.