



Ministry of Housing,
Communities &
Local Government

England ESIF 2014-2020 COVID ERDF Short Term Response

June 2020



GPB Agenda Item 2: ERDF Short Term Response to CV-19

- We are seeking regular partner feedback on the impact of CV-19 on existing and planned delivery, including calls with GPB members, Performance and Dispute Resolution Sub-Committee discussions, and dialogue with key partners such as MCAs, LEPs and local government.
- Taking feedback into account, we have established a weekly response group, which is considering practical steps to simplify delivery and enable projects to respond to CV-19 issues and opportunities.
- We have proactively responded to COVID-19 issues being faced, alongside flexibilities agreed by the EU Commission, as part of the Coronavirus Response Investment Initiative proposals (CRII and CRII+) and under the Temporary State Aid Framework.
- The MA has published an ERDF Q&A document advising beneficiaries and partners of steps taken and flexibilities adopted. This is aligned with ESF Q&A for consistency and is available [here](#) and updated regularly.



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- The MA has taken steps to simplify delivery and enable projects to repurpose and better support businesses and areas impacted most by CV-19. Our range of administrative simplifications includes more flexibility on:
 - Deliverables and performance;
 - Payment of claims and related evidence;
 - Payment of salaries and overheads;
 - Enabling projects costs to fund new delivery models and online activity.
 - Any flexing of the intervention rates can reduce the overall size, reach and breadth of projects, but can be important in ensuring funding can reach businesses quickly and responsively. So, we propose to use it in defined circumstances only:
 - nationally co-ordinated activities that enable a swift response such as RHSSF;
 - business support projects providing a critical CV-19 response which are unable to progress due to a shortage in SME match.
- To minimise any accounting issues with claiming back from the EU, IR flexibility will only be offered to projects until the end of 2020.



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- We are ensuring that ERDF can respond to both the sectoral and spatial impact of the virus and support projects to:
 - Pivot activity towards sectors most affected by CV-19, broadening the reach of ERDF into sectors such as health, retail, tourism, hospitality and leisure.
 - Reorient current projects to support jobs safeguarding and business survival.
 - Enable projects to support businesses to contribute to the CV-19 effort or service a growing market, examples have been provided in the ERDF Project CV-19 Response Leaflet.
 - Provide greater flexibility for ERDF support of Undertakings in Difficulty as a result of the CV-19 crisis, in line with CRII+ proposals, Temporary Framework, and the De Minimis rules - including through ERDF-funded Financial Instruments.
- The MA has also responded to urgent needs by changing management and control systems to allow direct commissioning where appropriate and moving to amend the Operational Programme in consultation with EU Commission and partners.



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- Our early response has enabled us to respond rapidly to challenges for our high streets through a [£50m ERDF Reopening High Streets Safely Fund](#) for Local Authorities. This package of support will provide:
 - Help for development of Local Action Plans.
 - Support for communication and public information activity.
 - Business facing awareness raising activities.
 - Temporary public realm changes.
- The MA is also exploring other opportunities linked to partner feedback and Ministerial steers:
 - Business support for Visitor Economy SMEs.
 - Business support activity across all other sectors and all LEP areas to build business resilience and adapt business models.