



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 ESI Funds Growth Programme.

Recommendations

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

Summary:

As at 5 May, under Rounds 1 and 2 of the RDPE Growth Programme, a total of £114m had been awarded in grants to 655 projects. Of this £114m, £69.3m had been paid out, contracting 3,964 FTE jobs of which 1,233 have already been created. The scheme remains on track to meet its job creation target of 4,075.

The 3rd round of the Growth Programme, which is offering around £60m, closed to new Expressions of Interest (Eols) on 16th February 2020. Round 3 received 3020 Eols requesting £352m of funding. The Rural Payments Agency (RPA) is currently assessing the Eols and are inviting eligible projects to submit full applications.

In addition, 21 contracts for funding totalling £78m have been awarded under the Rural Broadband Infrastructure offer.

COVID-19 Response

We fully appreciate the impact that Covid-19 is having on rural businesses and we remain keen to be as constructive and flexible as possible in managing existing projects and running the current Growth Programme offer. As such, the RPA has made changes such as allowing applicants to submit claims completely electronically and has suspended on-site visits before paying a final claim. We are also working with the RPA to explore the scope for giving extra weight to business sustainability alongside growth ambitions in new project proposals and looking at extending claim and commitment periods wherever possible.

EAFRD GROWTH PROGRAMME UPDATE

Delivery Update

1. As at 5 May, £114m of grant funding had been awarded to 655 projects under the first two rounds of the RDPE Growth Programme. Of this, £69.3m had been paid to projects. The scheme is expected to meet its target of creating 4,075 jobs. To date, 3,964 FTE jobs have been contracted and 1,233 created.
2. From round 1, which ran in 2015, 82 projects have now completed all activity, confirming the creation of 410 FTE jobs so far from an EAFRD investment of £8.7m. Under the second round of calls, opened in 2017, the RPA received 1,864 Expressions of Interest (EOI), requesting funding of £341m. Invitations to submit a Full Application were issued to 796 applicants for funding totalling £151m. So far, 796 projects have submitted Full Applications for funding totalling £151m, with 573 projects securing grant offers worth £105m.

Rural Broadband Infrastructure Fund

3. The budget for the Rural Broadband Infrastructure (RBI) Fund has been increased from £75m to £79.5m. There are currently 21 live contracts. The infrastructure funded is forecast to 'pass' 18,409 business premises and 67,524 other premises in the most remote parts of rural England, to benefit a population of 174,434.
4. Projects are mostly now in the delivery phase, and the first claim has been received. The final claim date for all projects is December 2022.

Round 3

5. The third round of calls under the RDPE Growth Programme opened for Expressions of Interest in November 2019 and closed on 16 February 2020. The RPA have received 3,020 Eols requesting funding for £352m of projects.
6. Overall, circa. £60m is available to rural businesses, with the final total amount being determined once all outstanding Round 2 Full Applications have been contracted. Grants from £20,000 to £180,000 are available for rural Tourism Infrastructure and rural Business Development projects. Food processing projects are able to apply for grants from £20,000 to £750,000.
7. The RPA is currently assessing the Eols and will invite eligible projects to submit Full Applications which will be considered at one of the three decision rounds to be held in the summer and autumn. This approach is to manage disallowance risk which would arise from not assessing all Full Applications together and allow funding to be awarded to the highest scoring projects.

8. The RPA has recorded an online resource with advice on completing a Full Application and applicants who have been invited to submit a Full Application will receive an email with a link to it.
9. The table below shows the breakdown of Eols received by theme, the total amount of grant requested and the average grant request. The RPA is assessing the Eols and will work with LEP area ESIF Sub-Committees to get their advice on the local strategic fit of projects.

Theme	Number of applications	EOI Grant amount requested (£)	Average Grant request (£)
Processing and Marketing of Agricultural Products	487	108,139,842	222,053
SME Support	1,663	154,073,533	92,648
Tourism	870	89,824,307	103,246
Grand Total	3022	£352,037,682	£139,316

10. As at 5 May, invitations to submit a Full Application have been issued to 1,752 applicants for funding totalling £218m. At the closure of the first decision window on 30 April, RPA had received Full Applications from 98 projects for funding totalling £16m. These are now being assessed.

COVID-19 Response

11. We recognise that the current situation creates uncertainty and significant challenges in the delivery of existing RDPE Growth Programme projects and the development of projects in the pipeline. We are currently in discussion across Government to assess the impact on ESIF programmes and with the European Commission regarding its proposed response to the situation.
12. We understand that project delivery could be affected by Covid-19 due to its impact on the supply chain, workforce availability or cash flow. The RPA have advised applicants that changes to project milestones, including claim schedules might be possible. They have advised applicants to email as soon as they become aware that they might need to request a variation to a claim schedule, project milestones or to make RPA aware of any other changes to their project.
13. We remain keen to be as constructive and flexible as possible and, in order to continue processing claims quickly and efficiently, the RPA has made changes to enable beneficiaries to submit their claims completely electronically. We have also made use of EU derogations to allow RPA to pay claims based on satisfactory alternative evidence without the need to carry out in situ inspections.
14. In addition, we are working with the RPA to explore the scope for giving extra weight to business sustainability alongside growth ambitions in new project

proposals and looking at extending claim and commitment periods wherever possible.

15. To date, 101 applicants have withdrawn their applications citing COVID-19 as the reason.

Tony Williamson

22 May 2020

Table 1. Growth Programme round 1 and 2 number of projects, funding committed and spend by theme as of 5th May 2020.

Theme/Measure	No. of Projects	Funding Committed £m	Spend to Date £m
Food Processing (M4.2)	141	43	31
Business Development (M6.4)	394	44	28
Tourism Infrastructure (M7.5)	108	26	10.2
Tourism Cooperation (M16.2)*	12	0.60	0.68
Total	655	£110.6	£69.32

*Theme offered in Round 1 only.

Table 2. Rural broadband infrastructure offer.

As at 5 May	Rural Broadband
Total Budget	79.5
Full Applications received	23
Value of Grant Sought (£m)	86
Number withdrawn/rejected	2
Number Contracted	21
Value of contract (£m)	78
Value of grant paid to date (£m)	-
Number Projects closed	-

Table 3. Project outputs to date by theme.

2015 & 2017 offers	RDPE Growth Programme	Food Processing	Business Development	Tourism Infrastructure and Cooperation
FTE Jobs Forecast	3,964	1,829	1,293	842
FTE Jobs created	1,233	607	423	203

Figure 1. Growth Programme Rural Broadband Infrastructure Scheme, Round 1 & 2 allocation, contracted and spend actual figures 5th May 2020.

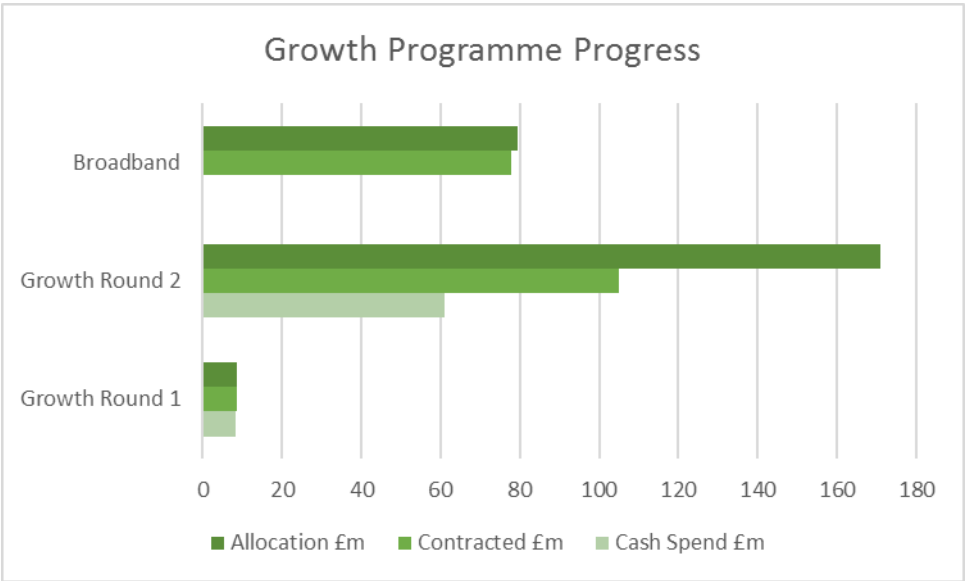


Figure 2. Growth Programme Round 3 allocation, value of Eols received and value of applications invited to submit a FA.

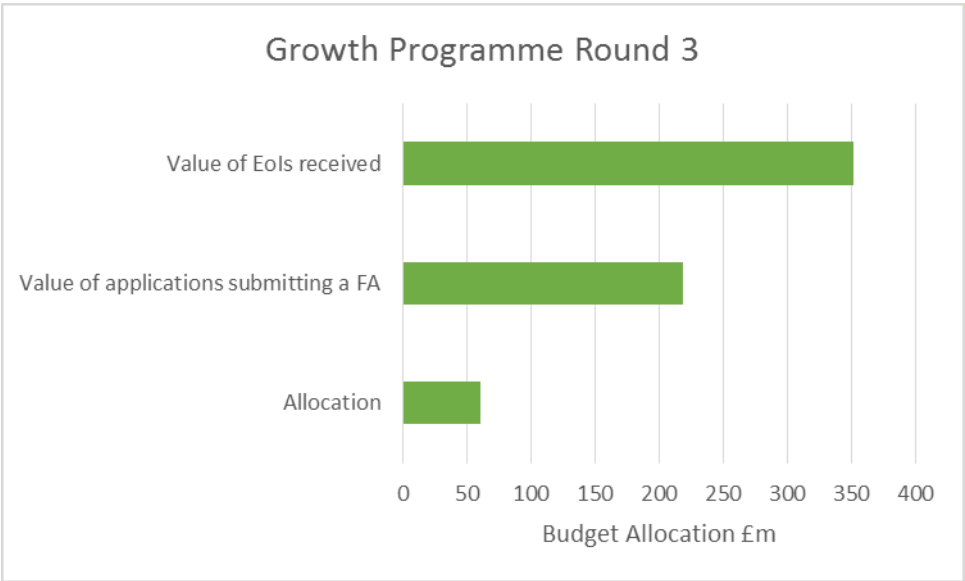


Table 4. Round 3 Growth Programme LEP Expression of Interest Grant Request as at 19th May 2020.

LEPs	EOI Grant Amount Requested (£)
Buckinghamshire Thames Valley	2,093,274
Cheshire and Warrington	8,023,114
Coast to Capital	9,003,145
Cornwall and the Isles of Scilly	16,477,483
Coventry and Warwickshire	4,228,313
Cumbria	18,782,311
Derby, Derbyshire, Nottingham and Nottinghamshire	14,703,544
Dorset	7,587,435
Enterprise M3	4,743,266
Gloucestershire	10,275,881
Greater Birmingham and Solihull	825,600
Greater Cambridge & Greater Peterborough	11,368,522
Greater Lincolnshire	14,041,342
Greater Manchester	4,292,361
Heart of the SW	26,306,098
Hertfordshire	3,816,412
Humber	5,529,081
Lancashire	9,954,926
Leeds City Region	5,870,672
Leicester and Leicestershire	8,107,539
Liverpool City Region	1,593,974
New Anglia	16,754,402
North Eastern	22,886,283
Oxfordshire	4,222,077
Sheffield City Region	4,815,945
Solent	2,858,639
South East	28,057,052
South East Midlands	8,828,846
Stoke and Staffordshire	5,028,437
Swindon and Wiltshire	6,904,704
Tees Valley	1,675,640
Thames Valley Berkshire	3,340,651
The Marches Enterprise Partnership	24,023,241
West of England	3,315,261
Worcestershire	6,846,935
York and North Yorkshire	25,002,206
Grand Total	£352,184,609

Table 5. LEP Area Expenditure for Round 1 and 2 as at 27th May 2020.

LEP	Indicative Allocation £	Expenditure £	Under/(over) programming £
Buckinghamshire Thames Valley	1,584,177.00	582,878.88	1,001,298.12
Cheshire and Warrington	2,492,600.00	1,756,158.04	736,441.96
Coast to Capital	3,835,682.00	2,481,220.81	1,354,461.19
Cornwall and the Isles of Scilly	9,396,623.00	3,501,239.72	5,895,383.28
Coventry and Warwickshire	2,730,498.00	1,693,167.16	1,037,330.84
Cumbria	7,755,077.00	2,387,657.49	5,367,419.51
Derby, Derbyshire, Nottingham and N	5,523,249.00	1,245,056.30	4,278,192.70
Dorset	3,020,337.00	995,828.28	2,024,508.72
Enterprise M3	4,466,791.00	654,727.92	3,812,063.08
Gloucestershire	2,893,392.00	1,651,003.85	1,242,388.15
Greater Birmingham And Solihull	1,141,193.00	849,149.28	292,043.72
Greater Lincolnshire	8,782,191.00	3,666,376.09	5,115,814.91
Greater Manchester	419,593.00	228,372.54	191,220.46
Greater Cambridge & Greater Peterb	7,395,748.00	1,472,413.03	5,923,334.97
Heart of the SW	15,540,333.00	5,259,657.50	10,280,675.50
Hertfordshire	1,520,761.00	290,566.72	1,230,194.28
Humber	2,141,264.00	1,297,216.95	844,047.05
Lancashire	4,290,283.00	2,078,796.72	2,211,486.28
Leeds City Region	5,232,974.00	305,895.60	4,927,078.40
Leicester and Leicestershire	3,059,220.00	1,159,580.43	1,899,639.57
Liverpool City Region	339,995.00	28,977.96	311,017.04
New Anglia	13,015,876.00	5,283,916.59	7,731,959.41
North Eastern	10,489,904.00	3,736,380.08	6,753,523.92
Oxfordshire	2,793,225.00	434,664.22	2,358,560.78
Sheffield City Region	3,018,769.00	954,321.66	2,064,447.34
Solent	1,412,647.00	388,490.32	1,024,156.68
South East	14,467,947.00	9,254,471.25	5,213,475.75
South East Midlands	6,506,432.00	2,311,311.80	4,195,120.20
Stoke and Staffordshire	3,126,716.00	577,411.94	2,549,304.06
Swindon and Wiltshire	3,900,654.00	635,683.18	3,264,970.82
Tees Valley	1,100,854.00	754,613.77	346,240.23
Thames Valley Berkshire	1,125,081.00	221,337.11	903,743.89
The Marches Enterprise Partnership	7,457,814.00	4,751,458.17	2,706,355.83
West of England	1,431,451.00	541,872.43	889,578.57
Worcestershire	2,242,595.00	1,462,451.88	780,143.12
York and North Yorkshire	9,848,056.00	5,384,170.51	4,463,885.49
Total	175,500,002.00	70,278,496.18	105,221,505.82