



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 3 August, under Rounds 1 and 2 of the RDPE Growth Programme, a total of £113m had been awarded in grants to 651 projects. Of this £113m, £73m had been paid out, contracting 3,916 FTE jobs of which 1,357 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 3,025 Eols requesting £353m of funding. The Rural Payments Agency (RPA) have assessed all Eols and invited 1,832 successful projects to submit Full Applications for funding totalling £234m.

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, Ministers have agreed that contracts signed before June 2020 for existing RDPE socio-economic projects seriously affected by Covid-19 can be extended by up to six months.

For the 3rd round of Growth Programme, the final deadline for submitting a Full Application has been extended from end of August 2020 to end of October 2020 to ensure projects affected by delays in granting planning permission are not adversely affected. Where applicants are still awaiting planning permission at the end of October, they will be able to submit their Full Application at that point if it is accompanied by

proof that a planning application has been submitted. In all cases, to be considered for funding projects must have planning permission granted by end December 2020. In addition, we have extended the project completion deadline for the 3rd round of the Growth Programme from end September 2021 to end December 2022.

EAFRD GROWTH PROGRAMME UPDATE

Delivery Update

1. As at 3 August, £113m of grant funding had been awarded to 651 projects under the first two rounds of the RDPE Growth Programme. Of this, £73m had been paid to projects. The scheme is expected to meet its target of creating 4,075 jobs. To date, 3,916 FTE jobs have been contracted and 1,357 created.
2. From round 1, which ran in 2015, 82 projects have now completed all activity, confirming the creation of 276 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, 796 projects submitted Full Applications for funding totalling £151m, with 569 projects so far securing grant offers worth £104m and creating 1,081 jobs.

Rural Broadband Infrastructure Fund

3. The budget for the Rural Broadband Infrastructure (RBI) Fund was increased in 2019 from £75m to £79.5m to accommodate all supportable applications. There are currently 21 live contracts. The infrastructure funded is forecast to 'pass' 14,953 business premises and 61,120 other premises in the most remote parts of rural England, to benefit a population of 168,229.
4. Projects are mostly still in the procurement phase with a handful in the delivery phase. The first project is delivery has submitted and has been paid the first claim for £1.2m. 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 received 3,025 Eols requesting funding for £353m 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 has assessed all Eols and invited eligible projects to submit Full Applications which will be considered at one of the four 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 at each stage, with others rolling forward to future rounds.

8. RPA has created a 'webinar' version of the Full Application workshops it held under Round 2 and applicants invited to this stage of the process have been given access to this.
9. The table below shows the breakdown of Eols received by theme, the total amount of grant requested and the average grant request.

Theme	Number of applications	EOI Grant amount requested (£)	Average Grant request (£)
Processing and Marketing of Agricultural Products	487	108,280,032	222,340.93
SME Support	1,757	162,945,693	92,740.86
Tourism	781	81,721,524	104,637.03
Grand Total	3025	£352,947,249	£139,905.66

10. As at 3rd August, invitations to submit a Full Application had been issued to 1,832 applicants for funding totalling £234m.
11. The RPA is assessing the Full Applications in batches. At the closure of the first submission window on 30 April for consideration in batch 1, RPA had received Full Applications from 98 projects for funding totalling £16m. A further 146 requesting £21.4m had been received ahead of the 30th June second Full Application submission deadline. These are now being assessed.
12. Growth Programme Round 3 continues to be significantly oversubscribed. In the first batch of applications received and appraised, just under £3m was committed to projects. Projects that reached the minimum requirement to be funded, but were unsuccessful in batch 1 have been rolled over to be considered in the next batch.

COVID-19 Response

13. We understand that project delivery could be affected by Covid-19 due to its impact on the supply chain, workforce availability or cash flow. As such, Ministers have agreed that contracts signed before June 2020 for existing RDPE socio-economic projects seriously affected by Covid-19, including those under the first two rounds of the Growth Programme, can be extended by up to six months.
14. For the 3rd round of Growth Programme, in recognition of the fact that some projects have struggled to obtain planning permission over recent months, the final deadline for submitting a Full Application has been extended from the end of August 2020 to the end of October 2020. Applicants are also able to submit their

Full Applications if they are still awaiting planning permission if the application is accompanied by proof that a planning application has been submitted and is expected to be decided by end December. The application will not enter the RPA's appraisal process until final planning permission has been agreed and, unfortunately, if planning permission has not been agreed and submitted to RPA by 31 December, the application will be incomplete and it will not be able to consider the project for funding.

15. To date, under the third round of the Growth Programme [278] of the 3,025 Expressions of Interest have been withdrawn, with 94 of these citing COVID-19 as the reason.

Tony Williamson

19 August 2020

Table 1. Growth Programme round 1 and 2 number of projects, funding committed and spend by theme as of 3rd August 2020.

Theme/Measure	No. of Projects	Funding Committed £m	Spend to Date £m
Food Processing (M4.2)	138	43	32
Business Development (M6.4)	392	44	29
Tourism Infrastructure (M7.5)	109	26	11.3
Tourism Cooperation (M16.2)*	12	0.60	0.68
Total	651	£113.6	£73

*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)	1.2
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	3,916	1,792	1,282	842
FTE Jobs created	1,357	678	435	244

Figure 1. Growth Programme Rural Broadband Infrastructure Scheme, Round 1 & 2 allocation, contracted and spend actual figures 3rd August 2020.

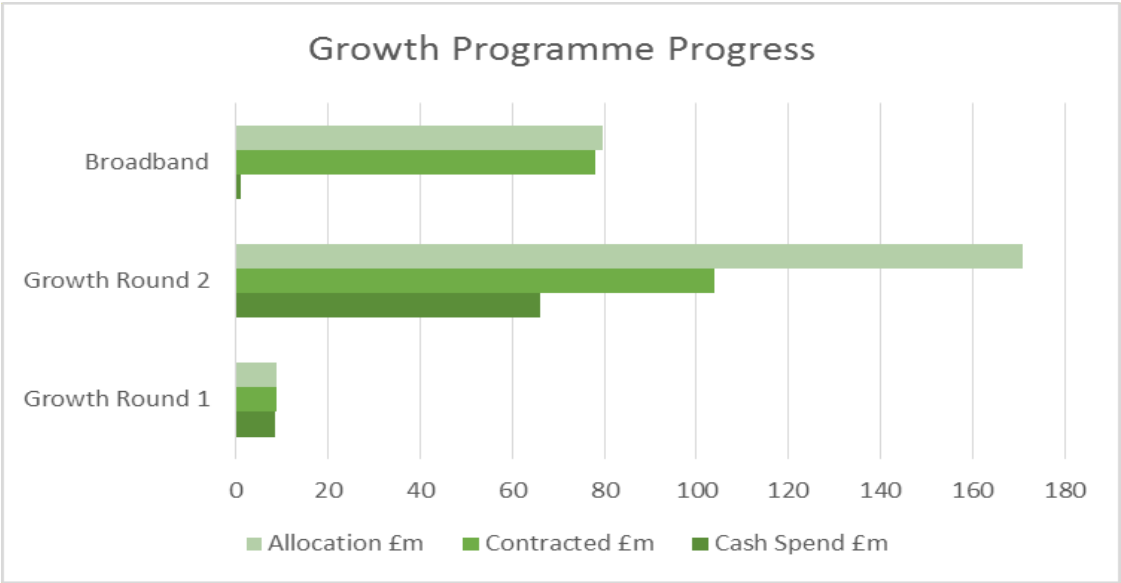


Figure 2. Growth Programme Round 3 allocation, value of Eols received, value of applications invited to submit a Full Application and value of Full Applications received as at 3rd August 2020.

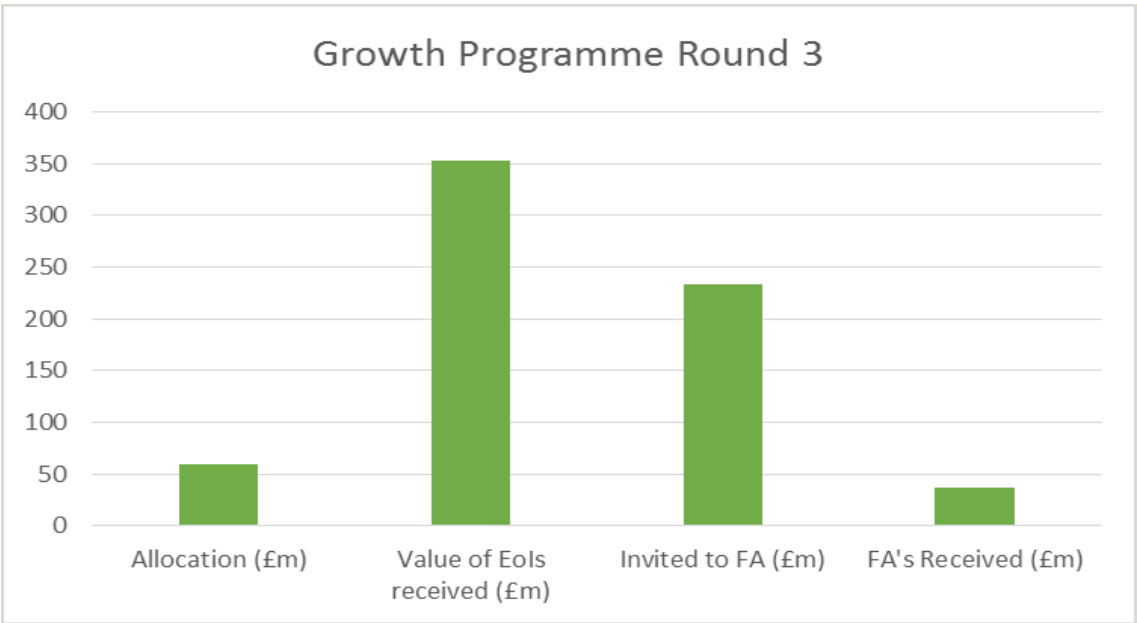


Table 4. Round 3 Growth Programme LEP Expression of Interest, Full Application grant request and total contracts awarded as at 25th August 2020.

LEP	Number of applications	Total EOI Grant amount requested	Total Full Application - Grant Amount Requested	Total RDPE grant award
Buckinghamshire Thames Valley	17	2,048,474		
Cheshire and Warrington	80	8,186,590	242,600	
Coast to Capital	70	8,882,474	1,229,157	
Cornwall and the Isles of Scilly	144	16,522,283	2,672,855	
Coventry and Warwickshire	35	4,228,313	226,478	
Cumbria	186	18,782,311	818,204	
Derby, Derbyshire, Nottingham and Nottinghamshire	138	14,729,043	1,076,011	
Dorset	67	7,587,435	779,941	
Enterprise M3	40	4,693,266	170,851	
Enterprise M3, Gloucestershire, Greater Birmingham and Solihull	1	50,000		
Gloucestershire	104	10,275,881	2,281,077	
Greater Birmingham and Solihull	3	825,600	734,745	
Greater Cambridge & Greater Peterborough	71	11,635,744	816,980	
Greater Lincolnshire	99	13,926,942	1,893,621	
Greater Manchester	21	4,292,361	766,922	736,426
Heart of the SW	279	26,306,098	3,155,295	154,738
Hertfordshire	30	3,816,412	294,301	
Humber	43	5,529,081	192,983	
Lancashire	83	9,817,326	2,265,685	
Leeds City Region	47	5,842,806	198,099	
Leicester and Leicestershire	72	8,074,718	380,244	
Liverpool City Region	12	1,593,974		
New Anglia	133	17,443,542	1,986,894	94,703
North Eastern	213	22,886,283	3,296,614	67,744
Oxfordshire	42	4,222,077	197,451	
Sheffield City Region	25	4,815,945	514,367	
Solent	24	2,858,639	977,952	
South East	191	28,151,847	4,255,209	
South East Midlands	87	8,756,846	321,752	
Stoke and Staffordshire	54	5,028,437	23,097	
Swindon and Wiltshire	70	6,904,704	970,070	
Tees Valley	17	1,675,640	21,005	21,005
Thames Valley Berkshire	25	3,340,651	559,591	
The Marches Enterprise Partnership	226	24,023,241	1,834,170	
West of England	25	3,315,261	802,907	
Worcestershire	65	6,846,935	173,499	
York and North Yorkshire	186	25,030,072	3,556,220	
Grand Total	3,025	352,947,249	39,686,846	1,074,617