

# ESF 2014-20

## Progress Update to the Growth Programme Board

March 2021

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# ESF Update: Overview

This update will cover:

- Appraisals
  - Reserve Fund
  - PDR Task and Finish Group Update
  - PCR Improvements
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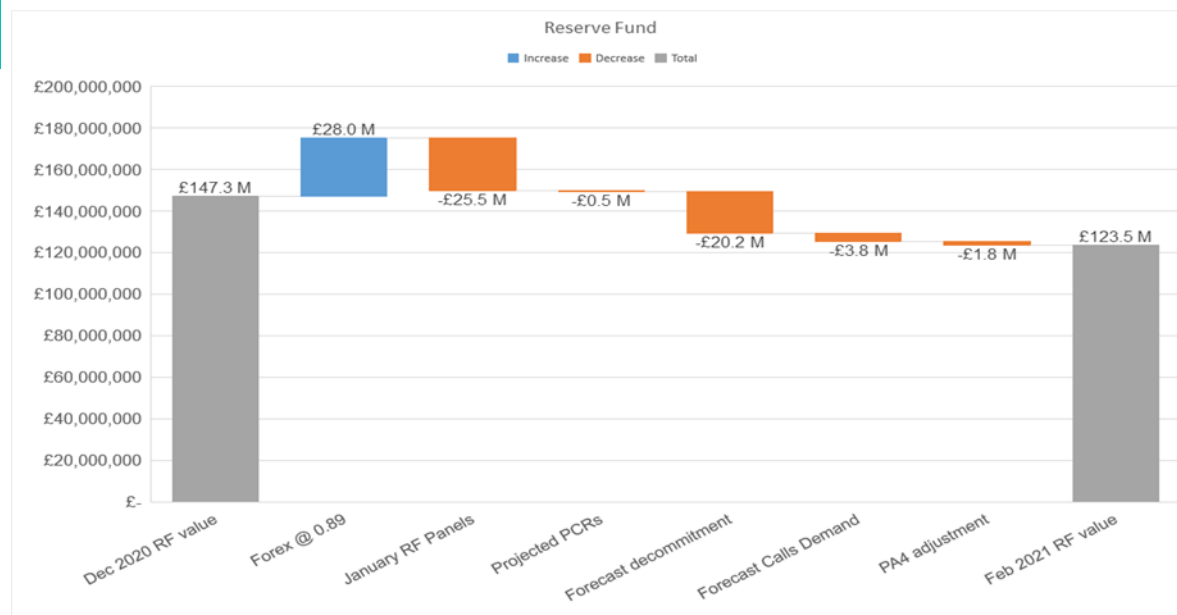
# Appraisal Summary Chart

Appraisal Caseload Performance - Summary Position						
Row	In Appraisal Pipeline or Being Appraised	Stage of Appraisal Process	Appraisal Caseload: Volumes		Appraisal Caseload: Value (£m)	
			Last Report (Nov 2020 data)	Current Position (2 March 2021 data)	Last Report (Nov 2020 data)	Current Position (2 March 2021 data)
A		Unassigned Applications	0	0	0.0	0.0
B		Applications Being Appraised	57	49	110.1	84.8
C		Applications At ESIF / Local Committee	21	5	52.6	17.9
D		Applications in Post ESIF / Local Action	10	1	16.3	973.3
E		<b>Applications Being Actively Appraised Sub Total (Rows B to D)</b>	<b>88</b>	<b>55</b>	<b>179.0</b>	<b>103.6</b>
F		<b>Grand Total in Appraisal, including Unassigned Applications (Rows A to D)</b>	<b>88</b>	<b>55</b>	<b>179.0</b>	<b>103.6</b>
G	In Post-Appraisal Action	Decision Made & Pending Approval	14	10	40.0	17.5
H		Awaiting Funding Agreement - FA in Production	46	12	105.9	52.7
I		Awaiting Funding Agreement - FA issued & awaiting return		17		68.4
J		<b>Applications in Post-Appraisal Action Sub-Total (G to I)</b>	<b>72</b>	<b>39</b>	<b>168.6</b>	<b>138.7</b>
K		<b>Appraisal Totals (Rows F+J)</b>	<b>160</b>	<b>94</b>	<b>347.6</b>	<b>242.3</b>

30 applications to the value of £71.5 million have been received since the last GPB meeting, but they are not visible in the table.

# Reserve Fund – latest position

- Since the December GPB meeting, 45 Call Proposals have been approved, value £120.1m;
- Programme revalued at €1=0.89 to reflect FOREX trend released an additional £28m;
- Significant amount of Project Change Requests (PCRs) activity (de-commitment and extension) from CFOs and Direct Bid projects;
- OP amendment in December secured £100m funds moved from More Developed to Transition to service forecast support needs.



PA 1	L	£0.8 M
	T	£15.9 M
	M	£21.4 M
YEI	T	£7.8 M
	M	£8.9 M
PA 2	L	£10.1 M
	T	£19.0 M
	M	£35.9 M
PA 4	L	£0.2 M
	T	£0.9 M
	M	£2.5 M
		£123.5 M

# PDR Reserve Fund Task & Finish Group

- The MA has been working with a Task & Finish group, comprised of members of the PDR Committee (representing the Core Cities, Local Government Association, Third Sector, IBs, and Mayoral Combined Authorities) on how to best utilise the remaining Reserve Fund.
- As part of this, we wrote out to ESIF Chairs in January, to understand local areas priorities moving forward, and how they would like to utilise the remaining funding.
- Their main ask, was to allow the award of additional funding to existing projects through the use of Project Change Requests (PCRs) – rather than needing a full Open Call to be published.
- We will continue with the Reserve Fund open Calls process for those calls that have already been agreed by the Reserve Fund Panel. Those calls that have been agreed with the LEP Lead, and are factored into the remaining funds, will also continue.
- However, the MA has gained agreement that we can move to extending existing ‘well performing’ projects to the end of the Programme, without needing a corresponding Open Call – achieving the aspiration for this from local areas.
- With the allocation almost committed, we have ring-fenced the remaining Reserve Funds for those project extensions. Modelling has demonstrated that this would utilise almost all the remaining RF, leaving only a small ‘buffer’ for exchange rate movements and changes to the actual ‘claim rate’ of projects.

# PDR Task and Finish Group - 2

- At the point of drafting this update, the criteria for 'well performing' is being finalised to take account of the impact on project performance of Covid-19 (criteria marked \*), but initial thoughts are that it will include:
  - *Up and running, with at least 6 months of delivery activity completed (and have signed and returned their FA and any outstanding Variations;*
  - *Up to date with their claims – with all claims up to the previous quarter having been submitted*
  - *Up to date against their profile of expenditure – as agreed in their Funding Agreement (FA)\**
  - *Up to date against their profile of outputs and results – as agreed in their FA\**
  - *Not on a project recovery plan*
- *Criteria marked \* will allow for a tolerance variance from the profile in the FA, to take account of the impact COVID-19 on project delivery;*
- We wrote to local areas on 23 February, informing them of the plans to ring-fence the Reserve Fund for extensions. We expect to be confirming arrangements, and providing projects with the opportunity to apply for additional funding, via a published Action note during March.

# Project Change Requests (PCRs)

- To maximise the potential to make best use of remaining Programme funds going forward, the PCR process will be used, without the need for a corresponding open Call, we intend to keep members informed of progress by providing regular management information updates.
- Resource dedicated to progressing PCRs has been increased to 9 (50% increase).
- Similar to full applications a common themes document has been shared with local stakeholders to help improve the end to end PCR process.
- Improved and more regular communications in place between GR and the MA to help keep all informed.