

ESIF-ESF Update for VCS ESF

This is the twentieth in a series to update you on the main European Funds in Greater Manchester, provided by GMCVO with the support of Network for Europe, and is part of Technical Assistance. This one covers ESF.

Context

ERDF SUD. Deadline extended by a month to 30/11/17.

ESF Working Well

The lead bidder for this £52m fund is expected to be informed early in November, with an official announcement later in the month. The actual project would then start at the end of January.

The agreed provider will doubtless be in touch with sub-contractors shortly, including those in the third sector.

Changes to the ESF Operational Programme

There has been a review of the English ESF Operational Programme, and proposed amendments are being sent to the European Commission. It is expected that there will be agreement late this year/ early next year.

Priority 1 will continue to provide support for unemployed people, although there will be some changes within the sub-categories - moving uncommitted funds from P1.3 and 1.5 to P 1.2 (young people) and 1.4 (inclusion).

Until now, P2 has covered support (learning and skills) for employed people - this is expected to change. The focus will still be on employed, but there will be flexibility within P2 to support unemployed people as well. Universal Credit will make it more difficult to distinguish between employed and unemployed.

The National Co-Finance organisations (HMPPS, ESFA, DWP, Big Lottery Fund) have not yet announced if they will be involved in the second half of the programme, but it is thought there will be announcements soon. If projects are running smoothly, the CFOs might well consider extensions (to time and money), as in the first instance these could be brought in more quickly.

Despite the £52m local cofinancing project, there are still ESF funds available for GM. Around £19m P1 (unemployed) and £53m P2 (primarily, but not exclusively, employed). The Combined Authority is doubtless examining how much match is available, and how much more could be delivered through local Co-Financing.

A recent ESF Action Note confirms what has been said at recent committees, that the Apprenticeship levy can, where appropriate, be used as match. This applies for projects approved on or after the date of the Note, 24th October 2017.

Exchange Rate

In previous Programmes, the Treasury updated the exchange rate for planning purposes every six months or so. However, it is currently still held at the pre-referendum level of 0.78p. Following the devaluation, the actual exchange rate is around 0.88p, giving more than ten per cent extra for ESF and ERDF (which were agreed in euros). This comes to around an extra £300m each.

Every time a claim is made to Europe, it is paid at the current monthly rate, so we need to use the correct rate to plan for spending to hit the targets for N+3 and the 6%.

It is not know what will happen to the difference between the planning rate and the actual rate, but this money might be allocated centrally, for example to those LEP areas which have fully allocated their allowance, and can confirm additional demand.

ESIF sub-committee meeting

The local LEP level committee meeting for EU funds was due on 22nd September, and then in October, but will now be held at the beginning of December.

30th October 2017

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