

## European Update 30th June 2017, from Network for Europe Cheshire, Cumbria, G Manchester, Lancashire, Liverpool CR

### Headlines

New Calls

Sustainable Urban Development SUD  
G Manchester, Co-Finance Organisation

Community Grants

DWP-ESF restructuring

Evaluations, and ERDF Summative Assessments

ESF and ERDF mid term review

### New Calls

With purdah before and after the latest election, there has been a pause on calls.

The pause finished on 30th June, with around forty two ERDF calls announced, seven of them in the North West. This includes the two City calls (SUD).

Further ERDF calls are currently planned for 22nd September (closing 10th November) and 17th November (closing 12th January). These dates may change.

We can expect further ESF calls, although it is not yet clear whether there will also be further calls (or extensions) from ESF Co-Financing organisations.

### ERDF calls on 30th June were -

LEP area	£m	Deadline	Activity
Cheshire & W	5.000	8/9/17	P1 Research & Innov
Cumbria	516	8/9/17	P2 ICT
Lancashire	2.500	8/9/17	P1 Research & Innov
Lancashire	3.000	8/9/17	P3 SME Support
Lancashire	8.925	8/9/17	P5 Climate Change
Liverpool	9.740	15/9/17	P4&6 SUD
Manchester	21.000	31/10/17	P1&4 SUD

### ERDF calls still open are -

Cheshire & W	8.000	31/10/17	P4 Low Carbon	Rolling Call
Cumbria	2.500	31/10/17	P4 Low Carbon	Rolling Call
Lancashire	7.000	31/10/17	P4 Low Carbon	Rolling Call
Manchester	10.000	31/10/17	P1 Research & Innov	

### EAFRD

These calls are still open.

Reports confirm that there has been much faster processing, and higher quality bids. This follows the replacement of the first stage application form with a simpler and clearer Expression of Interest, together with local presentation and discussion sessions on the calls.

### SUD Sustainable Urban Development

Both the European Commission and the UK Government have been looking at the development of Cities - where an increasing percentage of people live, with extremes of wealth and poverty. There is a growing understanding of the potential role of a city, especially through the activities of its citizens, looking at how residents and third sector organisations can be supported in their desire to create a better city and better environment.

One of these mechanisms is through SUD, whereby a percentage of ERDF is redirected to more local control, with more flexibility. In England, this covers London and the eight "core cities"

including Manchester and Liverpool. There is no new money - it uses existing ERDF funds, but is redirected under the control of an Intermediate Body. Each area developed a strategy, which then underpins the call. So far, five of the eight IBs have been set up, calls for proposals went out for Manchester and Liverpool on 30th June, with more expected shortly.

### **Greater Manchester, and the new ESF Co-Financing Organisations**

England's ESF Co-Financing Organisations have typically been large, national bodies which identify their own match, and then issue calls for projects (SFA, DWP, BLF, and NOMS). English rules were then extended so that local organisations could become CFOs, with the expectation that some areas involved in devolution would be involved, likely through Combined Authorities. In the event, only Greater Manchester has become a CFO (with four others in the pipeline to become CFOs - all groups of London Boroughs).

Manchester has used devolved Work and Health Programme funds, and with ESF created a £52m **Working Well** pot which is being let under a single contract. GMCVO and Network for Europe are acting together to encourage the involvement of the Third Sector, as sub-contractors to deliver this, with events including those on 7th April and 12th May. We are confident there can be significant sector involvement.

### **Liverpool ESF-YEI Call**

Europe agreed to double up ESF money for NEET young people using YEI (Youth Employment Initiative) funds. These had to be spent and claimed by the end of 2018. The funding was only available for those areas with youth unemployment over 25%, and thus included Liverpool, parts of the North East, Birmingham and London (and later a few smaller areas). We will not get the further money allocated, as unemployment has since dropped in England.

Liverpool put out direct calls early in 2015 (approved Spring 2016), and Network for Europe was strongly involved, identifying the opportunity to work with people under 30 (not 25), and a third of the funding went to the third sector.

Around £6m of the available funding was unallocated, and there was plenty more available (as London didn't take up their YEI allowance). The LCR ESIF agreed a new bidding round, and eventually there was a call for £7m (YEI and ESF) for Liverpool. Results are not yet known, but it is understood there were valid bids for £1.2m received.

There is no longer much time to appraise and then operate a project, and it will take the Managing Authority some time to prepare the final claim for Brussels.

### **Liverpool ESF**

Other than YEI, proposals were agreed at the Liverpool City Region ESIF committee in September 2016 for a further £10m ESF to support people affected by specific exclusion. In the event, no call has yet been made. Currently, there is a research project to look at existing ESF schemes in Liverpool (contracted to Eunoia Associates), and it is hoped that there will be proposals for the next ESIF committee to consider at the end of September 2017, prior to issuing a call.

It is expected there will also be a further call for P2 ESF for LCR.

### **Community Grants**

Liverpool City Region has a successful project for Community Grants, run by the WEA, which has now completed the third round. This is the final round, unless the LCR ESIF agrees further funding. Social Capital Community Grants have been operated in the last few Programmes through ESF, and have typically been very effective, with a range of reports detailing their success.

We are currently involved in discussions in Cheshire and Warrington concerning ESF and Community Grants, and it could be possible in Manchester.

We are also looking at and comparing the use of similar grants (Mikro-Grants) with our colleagues in Poland, where they are also shown to be very effective.

## **ESF Restructuring**

DWP, the Managing Authority for ESF, restructured its ESF staff at the beginning of June, as reported to the local ESIF committees. The regional teams have now been replaced by two national teams, and we think there may be some more recruitment. This is good news, and should speed up the (currently very long) appraisal and claims processes.

The DWP assumption had been that around 70% of ESF would be through co-financers (primarily Skills Funding Agency - now called ESFA), but this is now expected to drop to 60%, primarily due to the reduction in funding through ESFA.

So there is expected to be more direct bidding for ESF (which needs match). The position varies between LEP areas. Some such as Lancashire have committed much of their ESF funds, others such as Cheshire and Warrington still have considerable amounts to commit, while Manchester (alone) has its own co-financing status.

## **Future ESF Calls**

Funding through ESFA dropped from the expected £700m to perhaps £500m, but the other co-financers are close to their expected expenditure (Big Lottery Fund, NOMS and DWP). Discussions are underway to see if they would be prepared to commit to more ESF funding - either through new calls, or through extending existing approved projects. Big Lottery Fund now has considerable gold plating, and may be reluctant to commit further resources. It is not clear what decisions will be reached, but announcements could be made shortly (and likely each LEP area ESIF committee would need to consider how it wants to be involved).

## **Evaluations**

It is important to understand how we are bringing about change, and what is effective, so evaluation has always been a key part of European Funds. For ERDF, while there is a national evaluation, all projects have signed up to carrying out their own evaluations. This has become clearer recently - they will have to carry out Summative Assessments, which will need to have some common aspects, so that results can be combined together to give an English overview. In common with developing understanding over recently years, there will be a focus where possible on measuring *counterfactuals* (identifying what would have happened without the funding). Guidance on carrying out the Summative Assessments will be available very soon.

The initial evaluation of the ESF-YEI has been carried out, and should be published about now, but it is not clear what will be commissioned next for ESF.

## **Changes to Operational Programmes**

Half way through Programmes, it is not unusual to make revisions, often based on changes to the economy. This might cover the balance between Priorities, and revisions to planned outputs and results.

DCLG is proposing some changes to the ERDF Programme, and these were agreed to be sent out for the PMC (Growth Board) to see, following the June meeting. They will need to be appropriate, and negotiated with the European Commission.

DWP is currently reviewing ESF, expecting a report late August, in time for the PMC (Growth Board) in September. It is not clear if projects are delivering sufficient of the relevant outputs (categories of people recruited), but this may be based on insufficient robust data, especially as few claims have yet been made.

## **EClaims**

The ERDF based system which was brought in for ERDF and ESF for the 2014-20 Programme is not yet working as expected, and so is increasing staff workloads. Eventually, applicants would be able to upload their bids (and subsequent claims) direct to the system, and it is intended to provide appropriate Management Information.

In the meantime, it would seem that Management Information is being provided by alternative routes, especially for ESF. The first substantial claims from the ESF Co-Financing Organisations are imminent, and this should provide useful information (although match and ESF will likely vary). In the meantime, it is sometimes possible to get more direct and up to date information at LEP level.

### **PMC - Growth Board**

The Programme Monitoring Committee/Growth Board met on 14th June, There were reports on progress with ERDF, ESF and EAFRD. Following a request from the third sector at the last meeting, there are now specific references to the Cross Cutting Themes (Sustainability, and Equality and Diversity).

There was a brief discussion on the SUDs, and we requested this be on the agenda for the September meeting. There was also discussion on the ERDF revenue funding for the Growth Hubs. Given the length of time taken for appraisals, there was a concern to make sure funding for the Hubs for the second half of the programme was agreed well in advance. The review of local ESIF committees has been completed. Gaps occur across the Equality and Diversity, and the Trade Union/Employer Sectors, and these are being addressed.

### **LEP level ESIF meetings**

Cheshire and Warrington held their last meeting on 13th June, next meetings July and October.

Lancashire held their last meeting on 27th June, next meeting in September.

G Manchester next meetings in July, October and November.

Liverpool cancelled their 29 June meeting, next meeting September and then January.

### **Future**

The green paper Building our Industrial Strategy continues to be discussed. It references sustainability, but not inclusion. NFE is involved with others in considering what funding could be available around inclusion once the 2014-20 ESF Programme is at an end.

### **ESF Transnational Platform**

The Platform held its annual meeting in June, with a report from the nine thematic networks. There continues to be substantial progress with the Simplification network, attended primarily by the Managing Authorities across Europe (including our own DWP) and the European Commission (and NFE, of course). The Commission is pressing ahead with the Delegated Acts which will secure a dramatically simplified claim process for Technical Assistance by the Managing Authorities, as well as Standard Scales of Unit Costs. Further discussion took place around Gold Plating and Simplified Cost Options.

### **Feliks**

NFE is working with our Polish colleagues on a new project which looks at the use of franchising to support the development and scaling up of social enterprises in Poland. This involves some visits and request for information to franchisers and franchisees in England.

### **Programme Bulletin**

The June version is now available. Email [esif@communities.gsi.gov.uk](mailto:esif@communities.gsi.gov.uk) and subscribe direct for your own copy of the Bulletin.

### **Network for Europe**

[info@networkforeurope.eu](mailto:info@networkforeurope.eu)



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