

**REPORT TO:** Employment Learning and Skills and  
Community Policy Performance Board

**DATE:** 16<sup>th</sup> November 2015

**REPORTING OFFICER:** Strategic Director People and Economy

**PORTFOLIO:** Economic Development

**SUBJECT:** European Programme 2014-2020

**WARD(S)** Borough-wide

**1.0 PURPOSE OF THE REPORT**

1.1 The purpose of this report is to provide an update on the European Structural and Investment Funds (ESIF) Programme 2014 to 2020.

The report sets out the context at a Liverpool City Region (LCR) level and also gives details on the funding bids Halton has been developing. Reference is made to future funding 'calls for bids'

**2.0 RECOMMENDATION: That:**

2.1 Members note the update on the European (Structural and Investment Funds) programme 2014 – 2020.

**3.0 SUPPORTING INFORMATION**

3.1 A number of calls were published in March to which Halton responded and were invited to submit full applications in September 2015.

3.2 A full application for European Regional Development Funding (ERDF) under Priority Axis 3c 'SME Support' was submitted by a consortia of LCR Partners on Friday 11 September for an 'LCR Integrated Business Support' Project that will provide SME's with bespoke, intensive and specialist support and will link with the LCR Growth Hub. The Consortium comprises the LCR Local Authorities, Liverpool Vision, the LEP and St Helens and Liverpool Chambers of Commerce.

The total value of the bid is £6m with approximately £3m emanating from ERDF. Halton BC is providing over £230k in match funding to deliver a three year project costing over £450k in total and will be looking to support around 130 businesses in Halton with intensive diagnostic support, which will hopefully help them create over 100 jobs. The Department of Communities and Local Government

(DCLG) has undertaken a first stage assessment of the bid. Assuming the consortium can address the issues raised by DCLG it is anticipated that the programme will be approved in December and delivery will commence in Halton in January 2016.

- 3.3 A full application for European Social Funding (ESF) was submitted on Friday 02 October under the Priority Axis 1 'Inclusive Labour Markets' by a consortium comprising the six Liverpool Combined Authority Local Authorities and Merseytravel. The Council's Employment Learning and Skills Division has been playing a leading role to work with the other Local Authorities to submit an ESF application for the 'Ways to Work' Project for young people & adults to progress to sustainable employment.

The project will also incorporate elements of the Youth Employment Gateway (YEG) project. Young people will also have access to intensive mentoring and be provided with paid employment placements.

The total bid is £42m, £30m of ESF and Youth Employment Initiative (YEI) funding has also been allocated to the project. Halton BC is providing £1.3m in match to deliver a three year project costing £3.3m in total. The project will support around 2000 Halton residents in finding education, training and employment and will help place around 650 of these in sustainable employment. The Department of Work and Pensions (DWP) provided feedback at the end of October. If successful, the project will commence in the first quarter of 2016.

#### 3.4 **August Calls:**

DCLG also published further calls under Priority Axis 3 for the following:

- Place Marketing for Investment
- Gap Funding Projects for new commercial facilities

For the 'Place Marketing for Investment' call, the Council is part of a consortium where the LCR LEP is the lead applicant for the bid with a view of the Combined Authority being the Accountable Body. Sci-Tech Daresbury is also a partner. The project aims to develop a supply chain\sector development initiative focused upon the Advanced Engineering and Manufacturing and pharma' sectors. The Council has indicated that it could provide cash match, not exceeding £25,000.00 each year, for a three year period.

Regarding the 'Gap Funding' call, the Council cannot provide match funding, but has, instead, promoted the opportunity to commercial developers. To date two developers\companies have submitted outline applications to DCLG.

One of them, Langtree, has submitted an Outline Application on behalf of the Sci-Tech Daresbury Joint Venture for new commercial

facilities as part of the next phase of development at the campus known as the 'Eastern Plots'. The application identified a request of £2.1m gap funding for the £10.7m project.

### 3.5 **October Calls:**

The Council has also submitted an Expression Of Interest to 'VOLA' VOLA is a consortium of Voluntary Community and Social Enterprise (VCSE) Sector service providers operating in Liverpool City Region. VOLA is the lead applicant on a Digital Inclusion application to the Big Lottery Fund (BLF). The Council will be working with VOLA and other partners over the next couple of months to submit a 1st stage application by the end of November. Applicants will then be requested to submit full applications in the New Year with a view to projects starting in July 2016.

### 3.6 **The ESIF Committee:**

- The LCR ESIF Committee meetings continue to take place, with Cllr Dave Cargill attending as a representative of the Combined Authority.
- One of the roles of the ESIF Committee will be to assess applications for Strategic fit.  
The respective Government Departments responsible for managing the programmes i.e., DCLG for ERDF and DWP for ESF, will provide a summary of the applications to the ESIF Committee, who will then have 5 days to provide feedback.  
This is significantly less input, time and information than had been originally envisaged and committed to by Government and is a real concern to partners.
- The ESIF Committee has been supported by relevant officers including Halton's Operational Director for Economy, Enterprise and Property across the City Region to provide technical input and a perspective on strategic fit.
- This is due to the level and volume of the bids being received. Strategic fit must be based on the ESIF Strategy written by the LEP, which has been developed with strong references to the Strategic Growth Plan and a number of LCR wide Strategies, including the Innovation Plan, the Low Carbon Plan, the Super Port Plan, the emerging Enterprise Strategy, the Annual Employment and Skills Statement and associated Skills for Growth Agreements.

### 3.7 **Next Steps**

The next steps for Halton are as follows:

- Continue to work with partners to identify and agree suitable projects.
- The Council's External Funding Team and Portfolio Leads will identify further potential match funding opportunities in order to maximise the benefit to Halton that the European programme provides.

#### 4.0 **POLICY IMPLICATIONS**

4.1 This is in line with the Council's Corporate Priorities and with the requirement to lever as much external funding as possible into the borough to support the communities of Halton.

4.2 It is proposed that the Operational Director for Economy, Enterprise and Property will take the strategic lead on overseeing the successful delivery of Halton's European projects and will be supported by the External Funding Team who will offer a borough-wide service helping with application writing, funding claims and the ongoing monitoring and evaluation of projects.

It is imperative that all Halton's applications are realistic and robust and meet the eligibility criteria and that they are underpinned by a comprehensive monitoring system.

It is therefore, anticipated that support will be required from the Council's Internal Audit and Accountancy Divisions.

#### 5.0 **OTHER/FINANCIAL IMPLICATIONS**

5.1 The matching funding referred to in the report has previously been agreed and will be met from income generated through the prudent management and delivery of Government funded Employment, Learning and Skills contracts.

#### 6.0 **IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### 6.1 **Children & Young People in Halton**

There is a significant opportunity for the EU programme to benefit all of the Council's priorities. Specific projects will be developed to support Children and Young People, targeting the resources where they are most needed.

##### 6.2 **Employment, Learning & Skills in Halton**

Overall the EU programme will assist in providing job opportunities for local people and will go some way in addressing the level of unemployment in Halton. The projects being developed will support the local economy, local businesses and the local community which

in turn will skill up Halton's workforce and create more jobs locally. The relevant key challenges which LCR wishes to use EU funding to help address are:

- Economic competitiveness: £8.2bn output gap
- Business base: deficit of 18,500 businesses
- Economic activity: deficit of 35,000 economically active working age individuals
- Employment: deficit of 46,200 people in employment
- Skills base: deficit of 82,000 individuals holding NVQ4 qualifications, 32,600 more individuals with no qualifications
- Job creation: need for 90,000 additional jobs

### 6.3 **A Healthy Halton**

The EU programme will promote healthier communities through jobs opportunities, the development of green transport and housing initiatives.

### 6.4 **A Safer Halton**

The EU programme will complement the initiatives of the Mersey Gateway Regeneration Strategy and the good work of the Police and Community Safety and through its projects look to reduce the fear of crime.

### 6.5 **Halton's Urban Renewal**

The EU programme will act as a catalyst to attract developers and new businesses to the area by creating an attractive, well-accessed and serviced area, which provides a safe and attractive environment for employees and visitors.

## 7.0 **RISK ANALYSIS**

7.1 There is some risk that the Council and its partners will not be in a position to access the EU grant funding if it cannot source the match funding required.

## 8.0 **EQUALITY AND DIVERSITY ISSUES**

8.1 It is anticipated that reference to Equality and Diversity principles will be a prerequisite for any funding available. In fact, the theme 'Inclusive Economy' focuses on supporting disadvantaged either to enter into the work place or remain in the work place.

8.2 European Regulations governing use of the ESIF require that all activities supported using ESIF must be committed to following the framework of Public Sector Equality Duty.

Halton must ensure that activities have due regard to equality and are able to promote the three elements of that Duty: eliminate unlawful discrimination, advance equality of opportunity and foster good relations. The equality duty covers the following nine groups with protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

**9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

None under the meaning of the Act.

## APPENDIX 1

### ACRONYM Buster

Acronym	Represents
BIS	Department for Business, Innovation & Skills
CCT	Cross Cutting Theme
CLG	Department of Communities & Local Government (also DCLG) (Managing Authority for ERDF)
DWP	Department of Work and Pensions (Managing Authority for ESF & Opt-In Org)
EC	European Commission
EIB	European Investment Bank
EIF	European Investment Fund
EOI	Expression of Interest
ERDF	European Regional Development Fund
ESF	European Social Fund
ESIF	European Structural and Investment Fund
ESIF Committee	Local EU Sub-Committee
EU DG	Local EU Delivery Group
GA	Growth Accelerator (BIS product)
GDT	Growth Delivery Team (DCLG Local team)
GPB	Growth Programme Board (once England programme has been approved it will be named Programme Monitoring Committee (PMC))
GPF	Growing Places Fund
GVA	Gross Value Added
HCA	Homes & Communities Agency
IAS	Internal Audit Service (CLG, Article 16)
IP	Investment Priority
ITT	Invitation to Tender
JEREMIE	Joint European Resources for Micro to Medium-sized Enterprises (Financial Instrument)
JESSICA	Joint European Support for Sustainable Investment in Inner City Areas (Financial Instrument)
LA	Local Authority
LEP	Local Enterprise Partnership
MAS	Manufacturing Advisory Service (BIS Product)
NEET	Not in Education, Employment or Training
NWF	North West Fund
OJEU	Official Journal of the European Union
OP	Operational Programme
Open Call	Open commissioning that any partner can apply for but must provide match funding element
Opt-In Org	Opt-in's will be provided by a national body to deliver part of the ESIF and allows partners to deliver ESF whilst accessing national match funding
PA	Priority Axis

<b>Acronym</b>	<b>Represents</b>
PAV	Progress And Verification visit
PEV	Project Engagement Visit
RGF	Regional Growth Fund
RONW	Rest of the North West
SFB	Super-Fast Broadband
SME	Small to Medium-sized Enterprise
SUD	Sustainable Urban Development
TA	Technical Assistance
TO	Thematic Objective
TOR	Terms of Reference
TSB	Technology Strategy Board
UKTI	UK Trade and Investment (BIS Product)
VCLF	Venture Capital Loan Fund
VCSE	Voluntary, community and social enterprise sector
YEI	Youth Employment Initiative