



# **Introduction to the EU Structural & Investment funds 2014-20 programme**

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**One East Midlands**



# Workshop Aim/Objectives

- ✓ To increase your basic knowledge of the EU Structural & Investment Funds programme 2014-20 and the role of LEPs in the programme
- ✓ To help you understand the local VCS opportunities in the ESIF 14-20 programme.
- ✓ To highlight VCS examples of ERDF delivery in the 2007-13 programme.
- ✓ To offer you the opportunity to start to think about collaborative projects that could bid for ESIF monies

# Content of the workshop today

What are European Structural & Investment Funds (ESIF)?

EU Cohesion Policy Reform

What are LEPs and their role in ESIF?

What does the ESIF 2014-20 programme look like?

Match funding

Open call

Co-finance opt ins

Case Studies

Opportunities for the VCS

Timescales and next steps



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# About One East Midlands

One East Midlands is the regional body for the Voluntary and Community Sector (VCS) in the East Midlands region. Our role is to ensure that all elements of the VCS play a valued role in the development of policies and strategies that impact on the individuals and communities in our region. We have four core strategic functions that enable us to deliver our mission:

- Influencing
- Enabling
- Communicating
- Strengthening



***Building up the awareness,  
capabilities and capacity of the  
VCS to engage with and access  
ERDF (European Regional  
Development Fund)***

# Reach & Impact

## Focus

- Increase awareness of.....
- Increase access to.....

## ERDF

- increase partnerships/collaboration with....

**Third sector/universities/public sector /LEPs**

# What are the European Structural and Investment Funds

- The Structural Funds are financial tools set up to implement the regional policy of the European Union. They aim to:-
- **Reduce regional disparities in terms of income, wealth and opportunities**
- **Direct the most support to Europe's poorer regions (but all European regions are eligible for funding under the policy's various funds and programmes).**
- **Make strategic investments aligned to a 7-year policy framework. (with the 2007-13 the most recent, and now at the start of the period 14-20.)**



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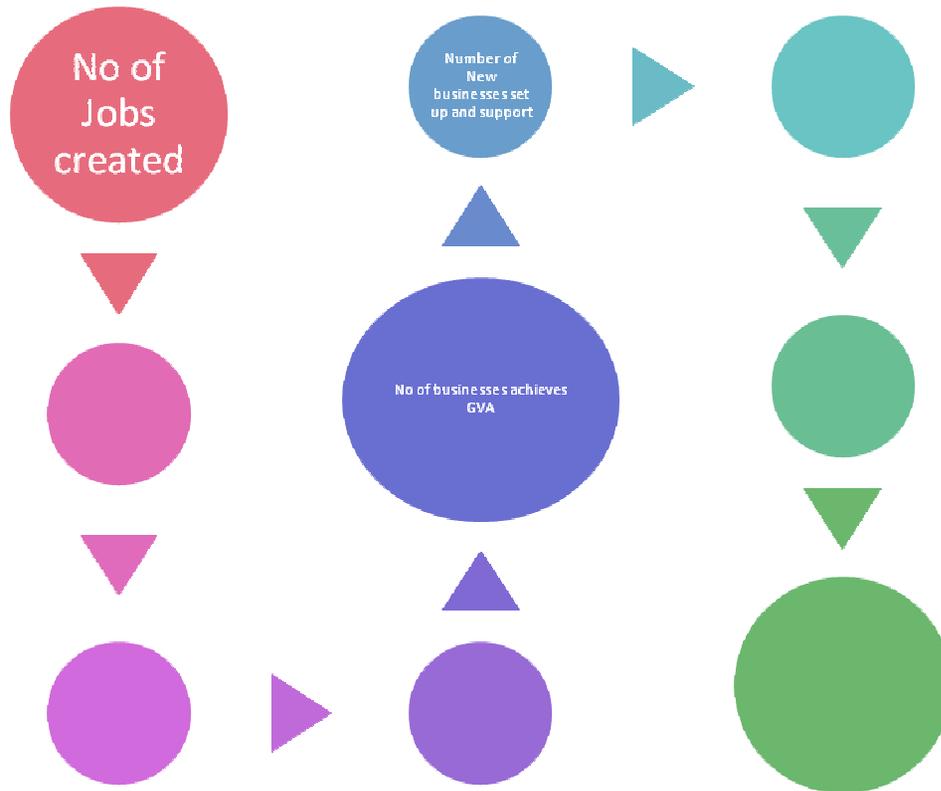
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# EU Cohesion Policy and Reforms for ESIF 2014-2020

[http://ec.europa.eu/regional\\_policy/what/future/publication/index\\_en.cfm](http://ec.europa.eu/regional_policy/what/future/publication/index_en.cfm)

# What are the European Structural and Investment Funds?

The Structural and Investment Funds have specific outputs and outcomes:



# What are the European Structural and Investment Funds?

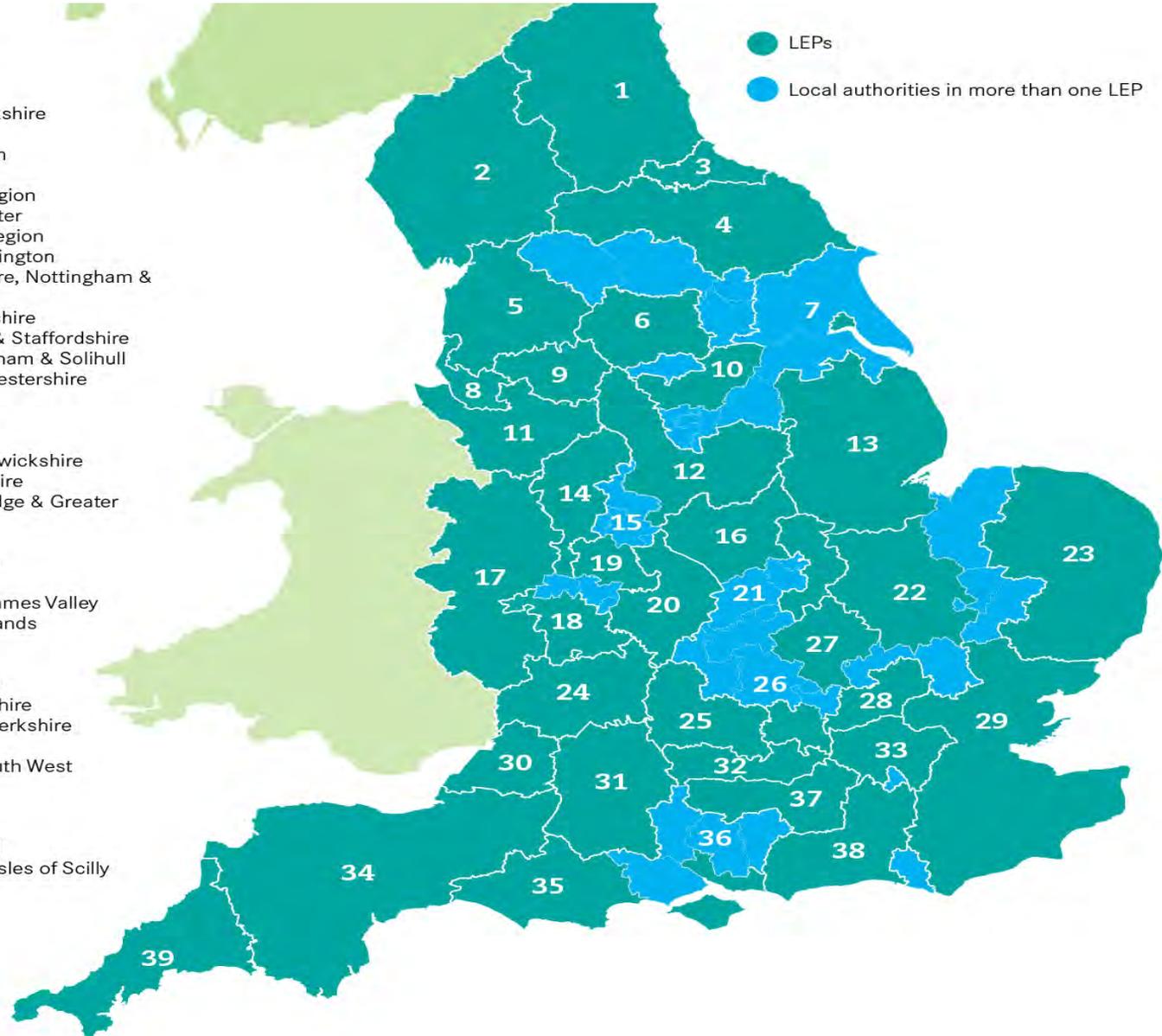
The Structural and Investment Funds are the European Union's primary mechanism for reducing social and economic disparities across the EU. In England, these funds comprise the:

- **European Regional Development Fund (ERDF)**
  - supports research, innovation, business development and infrastructure investment
- **European Social Fund (ESF)**
  - supports skills, enhancing access to employment and social inclusion.
- **European Agricultural Fund for Rural Development (EAFRD)**
  - supports economic development in our rural areas .
- **European Maritime Fisheries Fund (EMFF)**
  - Supports sustainable economic development of marine and coastal industries and supports coastal communities.

# What are EU Structural and Investment Funds?

- **In England the accountable body (Managing Authority) is:**
  - ERDF is Department for Communities and Local Government.
  - ESF is Department for Work & Pensions,
  - EAFRD is Department for Environment Food and Rural Affairs is
  - i.e. the bank account.
- **All monitoring, financial processing and requests for changes to project costs / delivery / time line goes through Managing Authorities.**
- **The 2007-13 programme is still operational until Dec 15:**
  - BUT no new funds will be available through the 07-13 programme.
- **Matched funding of 50% is required across the programme.**
- **Payments to projects on defrayment and in arrears (3 months)**

1. North Eastern
2. Cumbria
3. Tees Valley
4. York & North Yorkshire
5. Lancashire
6. Leeds City Region
7. Humber
8. Liverpool City Region
9. Greater Manchester
10. Sheffield City Region
11. Cheshire & Warrington
12. Derby, Derbyshire, Nottingham & Nottinghamshire
13. Greater Lincolnshire
14. Stoke-on-Trent & Staffordshire
15. Greater Birmingham & Solihull
16. Leicester & Leicestershire
17. The Marches
18. Worcestershire
19. Black Country
20. Coventry & Warwickshire
21. Northamptonshire
22. Greater Cambridge & Greater Peterborough
23. New Anglia
24. Gloucestershire
25. Oxfordshire
26. Buckingham Thames Valley
27. South East Midlands
28. Hertfordshire
29. South East
30. West of England
31. Swindon & Wiltshire
32. Thames Valley Berkshire
33. Pan London
34. Heart of the South West
35. Dorset
36. Solent
37. Enterprise M3
38. Coast to Capital
39. Cornwall & the Isles of Scilly



## Local Enterprise Partnerships and their role in ESIF 2014-20?

- Announced in Budget June 2010, cover whole of England
- 39 voluntary, public/private partnerships, private sector led
- Very variable (geography/population covered – including overlaps; legal status; priorities; capacity)
- 5 LEPs in East Mids and South East Mids – D2N2, GLLEP, LLEP, NEP and SEMLEP
- No regions – other LEPs come into play – GCGP (Rutland), SCR (includes 5 Districts in Derbys and Notts) and Hull and Humber (includes North and North East Lincs)

## LEP geographic areas

LEP	Area Covered
LLEP	Leicester City and Leicestershire
GLLEP	Lincolnshire county and North Lincolnshire district
D2N2	Derby City, Derbyshire, Nottingham City, Nottinghamshire
NEP	Northamptonshire (including districts: Corby, Daventry, East Northamptonshire, Kettering, Northampton, South Northamptonshire and Wellingborough)
SEMLEP	Bedfordshire, Buckinghamshire and Oxfordshire and boroughs and <b>also covers the districts of Northampton, Kettering, Corby, South Northamptonshire and Daventry</b>
GCGP	Oakham, including Rutland
SCR	Sheffield and <b>also the districts of Bassetlaw in Nottinghamshire and Chesterfield, Bolsover, Derbyshire Dales and North East Derbyshire.</b>

## Local Enterprise Partnerships and their role in ESIF 2014-20?

Lead role for LEPs – notional 7 year allocations

- Develop strategy, working with wide range of partners
- Select projects (commissioning, bidding and co-financing)
- Identify match funding
- Spend allocation (on time and in line with EU regulations)
- Ensure outcomes delivered
- Monitor delivery against strategy and programme priorities
- Not responsible for administering the funds (remains with Managing Authorities)

# LEP Allocations

LEP	ESF/ERDF €m	EAFRD €m
D2N2 – covering Derby, Derbyshire, Nottingham & Nottinghamshire	€249.7 (Approx £200m)	€7.5 (£6m)
Leicester and Leicestershire	€126.3 (Approx £100m)	€3.8 (£3m)
Greater Lincolnshire	€133.5 (Approx £105m)	€10.9 (£8.7m)
Northamptonshire	€55.0 (Approx £44m)	€2.7 (£2.2)
South East Midlands –covering parts of Northamptonshire	€88.3 (Approx £70m)	€5.3 (£4.2)
Sheffield City Region – covering parts of north Nottinghamshire /Derbyshire	€203.4 (Approx £161m)	€3.1 (£2.4)
Humber – covering parts of Lincolnshire	€102.4 (Approx £81m)	€2.6 (£2.1)
Greater Cambridge and Greater Peterborough - covering Rutland	€75.5 (Approx £60m)	€9.2 (7.3)

**rate used here €1 = £0.79**

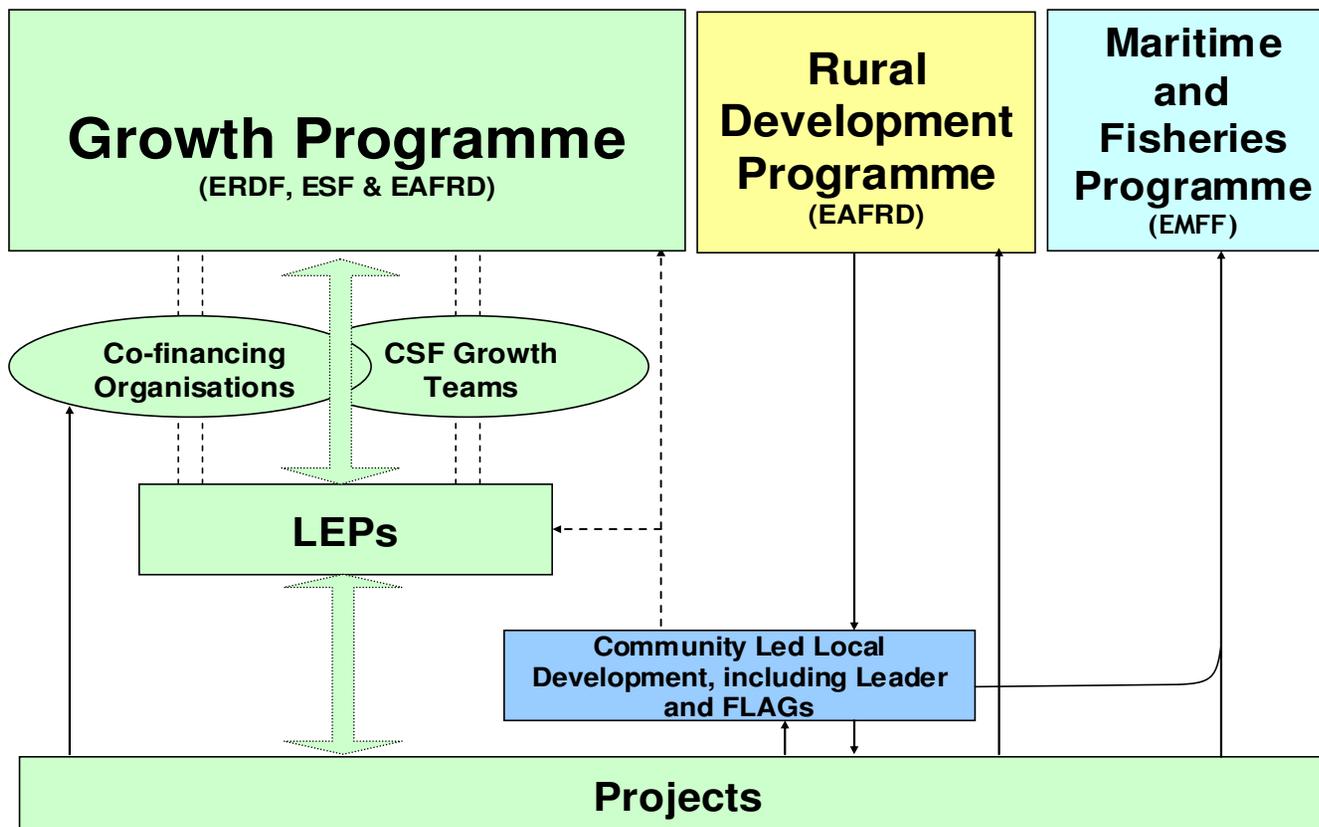
**rate used here £1 = €0.8**

# What is the impact of EU Cohesion Policy Reform in New Programme?

1. Targeting resources at key growth sectors
2. Significant contribution to EU priorities in the field of employment and social inclusion
3. Fixing clear, transparent, measurable aims and targets for accountability and results
4. Introducing conditions before funds can be channelled
5. Establishing a common strategy for more coordination and less overlap
6. Cutting red tape and simplifying the use of EU investments t
7. Enhancing the urban dimension of the policy
8. Reinforcing cooperation across borders
9. Ensuring that Cohesion Policy is better linked to wider EU economic governance
10. Encouraging the increased use of financial instruments to give SMEs more support and access to credit

# What does ESIF 2014-20 programme look like?

## INITIAL SIF MODEL: DELIVERY ARRANGEMENTS



# ESIF Thematic Objectives 2014-20



Research and Innovation



Combating climate change



Employment and Mobility



Information  
And  
Communication  
Technologies



Environment and  
resource efficiency



Social inclusion



Competitiveness of SMEs



Sustainable transport



Better education,  
training



Low-carbon economy

*There are no  
spending  
guidelines for  
these objectives.*

*At least 80% of ESF to be  
spent on these 3  
objectives. A minimum of  
20% on Social Inclusion*

*At least 80% ERDF to be  
spent on these 4  
objectives. A minimum of  
20% Low carbon*

# Cross Cutting Themes

- **Sustainable development**

- manage and reduce impacts from climate risk and future proof developments;
- pursue environmentally sustainable procurement and commissioning; and
- create new green and blue infrastructure to protect and enhance ecosystem services/ natural capital.

- **Equality & Anti-discrimination**

- pay due regard to the public sector equality duty
- commitment to promoting equality and combating discrimination in line with domestic legislation and European Regulations;
- proportionate evidence around equalities issues in the Local Enterprise Partnership area and how the Local Enterprise Partnerships' investment decisions will impact on those issues; and

# Cross Cutting Themes

## Social innovation

- development of innovative ways of working which are more socially aware, leading to delivery of greater commercial or non-commercial value that is capable of greater scale and/ or wider use.
- the exchange of knowledge between research centres, businesses and other organisations to develop and bring new/ different products and services to the market or to wider use.

# Match Funding – Why do we need match funding?

- Need 50% match funding (clean match)
- Type of match funding:
  - cash, public/private levered investment,
  - land/building – independent evaluations need to be made to work out value of asset and donation of land can not constitute more than 10% of the total cost of the project
  - earned income
  - Contributions in-kind - the contribution of Staff time can only be included as match funding if the employing organisation is either the lead applicant or a named delivery partner in the application.

# Break ...then discussion time

- Discussion questions:
- Is this relevant to your organisation?
- List top 3 concerns
- Do you engage with your LEP?
- Are you aware of the LEP ESIF strategies?



# Local focus new opportunities?

- Match funding to complement Growth programme
  - Big Lottery Fund,
  - Skills funding agency
  - DWP
- Community Led Local Development
- Community Grants
- Social Investment Business (local impact fund)



# Big Lottery Match Funding

- Opportunity to gain match funding and administrative support from key national programmes which align with EU Structural and Investment Fund priorities;
- BIG Lottery Fund are offering match funding for projects delivering against the 'Promoting Social Inclusion and Combating Poverty' **thematic objective 9**, as this aligns well with their own mission and priorities.
- The funding will be delivered in Local Enterprise Partnership (LEP) areas according to local priorities, which have been set by the LEPs, and could support projects ranging from improving employability for the most disadvantaged, helping those with multiple and complex needs, or improving financial literacy.
- LEP area partnerships have made decisions about how much of their ESF allocation to devote to this strand of work, meaning that the amount of main funding available will vary widely across different areas.

# Skills Funding Agency Opt-in

## Opt-in option

- Skills Funding Agency:
  - Funds and promotes FE training
  - SFA will agree a service level agreement setting out the skills and training activity the LEP wants to see delivered in their area
  - £170m is available to match fund activities
  - Need to opt in for a minimum of half the programme 2014-16



## Routes into ESIF programme 2014-20

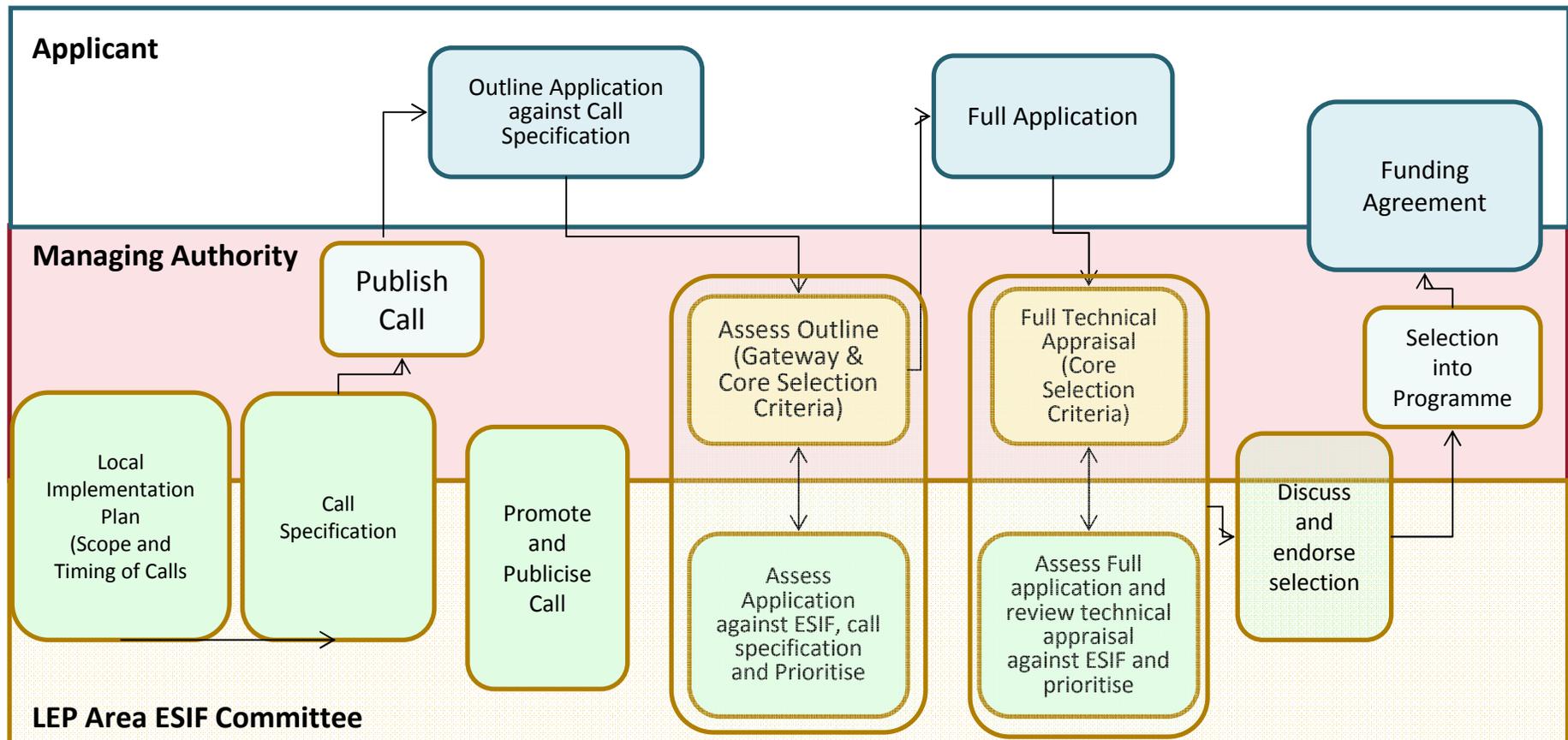
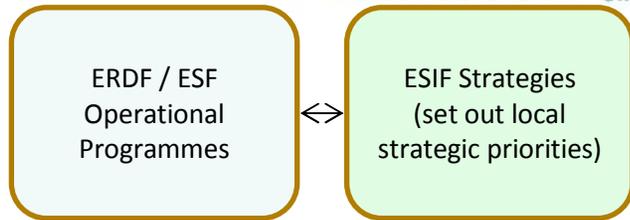
- There are two routes for securing funding in the 2014-20 ESIF programme, via **'Open'** or **'ESF Opt-Ins'**.
- A call is an open invitation for applicants to submit proposals against a published specification
- Applications for grant funding from the ESIF may only be submitted in response to a published call for proposals issued by the Managing Authority. LEP Area ESIF Committees will oversee the investment of ESIF in the specified LEP area.

## European Structural & Investment Fund 2014-20

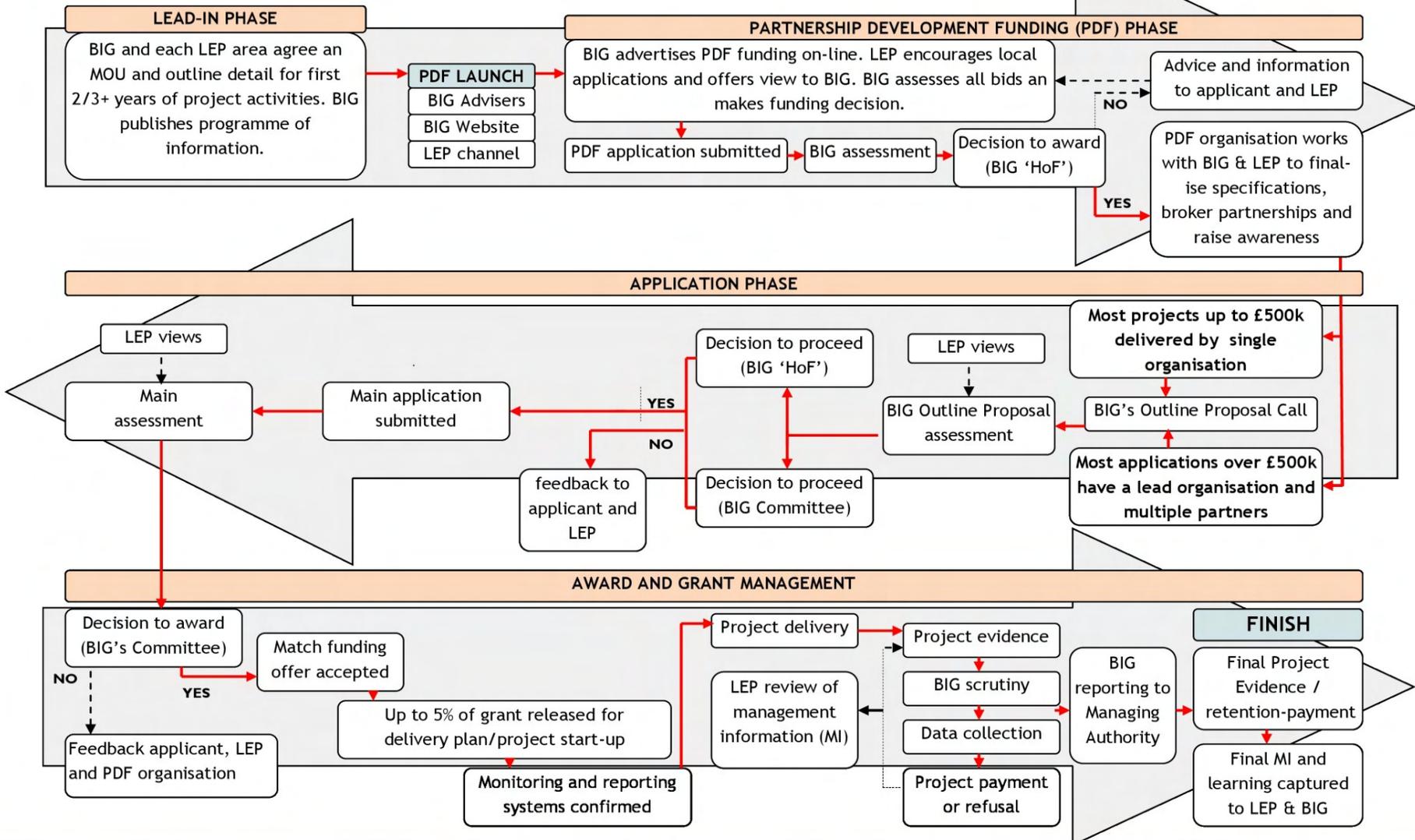
### Open Route

### Inception to Funding Agreement

(excluding Opt-Ins, CLLD, Fis, SUD) 11 July 2014



# BIG Lottery Fund Opt-in Route





# BIG Lottery Fund – Programme Development Fund

- The Big Lottery Fund will be making £630,000 available in programme development funding for voluntary organisations across England to raise awareness of the funding opportunities available through the European Social Fund (ESF)
- The amount of programme development funding allocated to each LEP area ranges from £10,000 to £50,000. The application window for the development funding closed on Thursday 4 September 2014
- More information at <http://www.biglotteryfund.org.uk/esf>



# Governance

- Government is aligning the process for implementation of the 2014-2020 ESI Funds as far as possible, particularly for ESF and ERDF.
- Managing Authorities for individual funds still need to report to the EU at a national level on each fund and there are therefore 2 separate Operational Programmes for ESF and ERDF.
- Government established a Growth Programme Board (GPB) to act as a shadow national Programme Monitoring Committee (PMC) for the England Growth Programme. Once the Programme moves into an operational phase the GPB will act as the PMC for both the ERDF and ESF ESI Funds.



# Governance

- The GPB/ PMC is chaired by the Managing Authority.
- The PMC will be supported by 39 [*LEP area*] ESIF Committees - one for each Local Enterprise Partnership area and chaired by Partners. Must adhere to the EC Code of Conduct on Partnership.
- Additional national sub committees on cross cutting themes, thematic objectives and evaluation
- The Rural Development Programme will be overseen by an EAFRD PMC. The GPB will advise the EAFRD PMC on issues concerning growth.



# Community Led Local Development

- Focussed on the specific needs and opportunities of a particular area
- Delivers through small, community projects
- Could be thematic e.g. labour market focussed, or targeted on a specific group, e.g. young people
- Can be linked to one ESIF or a combination of all of themes
- Partnership of public, private and civil society sectors, form a Local Action Group (LAG) to deliver a Local Development Strategy (LDS) – expands on the current Leader approach

# CLLD...continued

- The Commission want a much stronger narrative around the rationale for CLLD, including evidence of demand/need; an analysis of CLLD compared against other mainstream funding options available; plus a clearer position on added value, and how CLLD offers value for money (given costs).
- Working with LEP areas to build narrative and also consider whether CLLD is the best route through in all cases.



# Community Grants

- Community Grants were part of the European Social Fund (ESF) programme in England 2007-13.
- Designated 2.5% ESF
- Provided grants of up to £15,000 to small third sector organisations that help individuals in the hardest to reach communities to enter the labour market
- LEPs to consider community grants in new programme



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# Local Impact Fund

- Bring together partners and investors to provide tailored support for charities and social enterprises throughout their investment journey;
  - investment readiness support
  - mentoring to help them to develop their business plans,
  - loans and other investment products to help scale up, develop assets and grow.
- The funds are designed to work closely with Local Enterprise Partnerships (LEPs) so that EU funds, could potentially form part of the investment mix.
- Local Impact Funds are currently being tested and have been included in official guidance to LEPs as they develop their strategies for using EU monies from next year.
- Potential investors include:
  - national investors like the SIB Group and Big Society Capital,
  - local investors like CDFIs, local authorities, community foundations and individuals.
- Two pilots in Northampton and Liverpool

## **European SIF Funds 2014-2020**

### **What's happening now?**

- LEPs now have greater stake in EU funding
- EU investment plan submitted by LEPs on 31 Jan. On-going negotiations with BIS.
- Final details on Local Growth Team/operational plan, 'application/call' process etc now-Dec 14.
  - Implementation plans now being developed
- Programme likely to open any time between autumn 2014 and spring 2015

July / August / September	Local teams work with local ESI Funds Committee on ESI Funds Implementation Plans and developing the project pipeline
September	New 2014-20 ESI Funds section of Gov.uk Website goes live GPB Sub-Committees meet to discuss draft Implementation Plans MA works with Partners to develop CLLD proposals
October	ESF & EAFRD Operational Programmes expected to be adopted ESF & EAFRD Implementation Plan content agreed by HMG Information to LEPs and Partners on Application process:
October / November / December	Designation of the formal Programme Monitoring Committees (PMC) for the ESI Funds in the Growth Programme. Respective Programme Monitoring Committees (PMC) formally constituted and approve (depending on the Fund): <ul style="list-style-type: none"> <li><input type="checkbox"/> Selection Criteria (Structural Funds and EAFRD PMCs)</li> <li><input type="checkbox"/> Sub-committees' Terms of Reference (Structural Funds and EAFRD PMCs)</li> <li><input type="checkbox"/> Technical Assistance Strategy (Structural Funds PMC)</li> <li><input type="checkbox"/> Selection of criteria for Opt-In Organisations (Structural Funds PMC)</li> </ul> Opt-In organisations apply for funding and MA carries out appraisal Local ESI Fund Committees <ul style="list-style-type: none"> <li><input type="checkbox"/> Agree final Implementation Plan</li> <li><input type="checkbox"/> Considers MA Funding Agreement with Opt-In Organisations</li> </ul>

<b>December</b>	ERDF Operational Programme expected to be adopted ERDF Implementation Plan content agreed by HMG
<b>January (All subject to OP)</b>	Final feedback from Government (following GPB discussion) on any last revisions to LEP ESI Fund Strategies required as a result of negotiations on the Operational Programme. LEP Strategies agreed MA prepares first call Opt-ins finalise specifications with local partners and prepare first calls
<b>January</b>	Calls opened <ul style="list-style-type: none"> <li><input type="checkbox"/> For operations as specified</li> <li><input type="checkbox"/> For first wave of CLLD activity</li> <li><input type="checkbox"/> For first wave of Opt-in activity</li> </ul>
<b>February</b>	Information to LEPs, Partners and potential applicants on contract management processes: <ul style="list-style-type: none"> <li><input type="checkbox"/> Project Initiation Visit</li> <li><input type="checkbox"/> Monitoring and verifications procedures - Claims Checks &amp; On-the-spot visits</li> </ul>



## WISE Project – Leicester City

- Led by CASE (the Cooperative and Social Enterprise Development Agency) and delivered in partnership with the University of Leicester and Voluntary Action Leicestershire.
- The WISE project was set up to support new and existing social enterprises and voluntary and community groups in Leicester. The project also co-ordinates a graduate/student placement scheme in social enterprises.
- The project, funded by an ERDF grant of £389,000 and match funded by the three partners own income, started 1 July 2011 and will run until 30 June 2015.

Further information on WISE can be found on the partners websites as follows:  
CASE [www.case-da.co.uk](http://www.case-da.co.uk) University of Leicester [www.le.ac.uk](http://www.le.ac.uk) Voluntary Action Leicestershire [www.valonline.org.uk](http://www.valonline.org.uk)



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# YMCA Derbyshire Campus for Learning & Development

- The Campus for Learning & Development is an capital project funded by ERDF built to support homeless, unemployed, community in Derby City.
- The Centre brings together 83 units of supported accommodation, learning and development facilities, meeting and conference facilities, an enterprise zone, a café open to the general public and office space all on one integrated site The centre officially opened in November 2010.
- Total project value £4,511,000      Total ERDF £333,222  
Match Funding from charitable trusts and other local funders in Derby/Derbyshire
- Key outputs and outcomes
  - Brown field land reclaimed/redeveloped 0.0665ha
  - 3 Jobs created
  - Individuals supported into employment
  - Individuals supported with learning and development
  - DDA Compliant building



# Helping prisoners find work and reducing re-offending: Bad Boys' Bakery

The Bad Boys' Bakery is a working bakery located in Brixton prison. It is run by Working Links, a leading provider of services to help reduce social exclusion and poverty. It is co-financed by the National Offender Management Service (NOMS) and the European Social Fund (ESF).

The 12 week course gives prisoners training in baking, along with the skills and qualifications that will help them find sustainable work when they eventually leave prison.

The project:

- provides on the job training to industry standards, including food preparation, baking, stock and time management, as well as knowledge of health and safety systems
- helps prisoners to gain a relevant qualification
- prepares prisoners for work by helping with CVs, applications and letter writing
- helps those who are eligible for temporary release, by arranging opportunities that ---- include helping with deliveries outside the prison and taking on administration roles within the bakery

The Working Links employer services team provides continued support for the prisoners after their release.



# Helping prisoners find work and reducing re-offending: Bad Boys' Bakery

Of those who have been through the programme:

- 33% are now in work or training – with many in the hospitality and catering industry
- only 3% have gone on to reoffend within a year of being released from custody, significantly lower than the national average of 47%

So far, more than 60 people with convictions have been through, or are currently part of, the Bad Boys' Bakery programme, and have helped to produce and sell almost 75,000 tasty treats. Up to 20 prisoners can work full-time in the bakery.

# Table Discussion

In your tables consider the NEP & SEMLEP thematic objectives:

- Have a quick round of introductions
- Discuss the type of projects that are needed and meet LEPs priorities
- How could a collaborative approach be developed?
- Who needs to be involved
- Are there existing collaborative partnerships/consortia
- Are there existing projects that could be extended/further developed?

# Considerations when applying for ESIF funding

- Collaborative approach
- Demonstrating the need for your project
- Match funding
- Cashflow
- Compliance – State Aid, EU procurement
- Financial Management
- Project Management



More Information and resources are on the Reach & Impact web page:

<http://www.oneeastmidlands.org.uk/reachandimpact>