**European Update for Cheshire and Warrington Voluntary, Community, and Social Enterprise Sector 10th June 2020**

**Headlines**

Flexibility for existing projects

Progress of recent ESF bids

Uncommitted funds - ESF and ERDF respond to coronavirus

**ESIF Coronavirus Response Page**

For those running European projects (ESF, ERDF and EARDF), our government has put up useful information on the changes brought about due to the coronavirus pandemic. Each fund has a set of Questions and Answers, which is updated frequently. It covers, for example, wet signatures, reprofiling and delays, and claims in advance of all documentation.

*www.gov.uk/government/publications/european-structural-and-investment-funds-coronavirus-covid-19-response*

**Progress of recent ESF bids**

The (revised) deadline for Cheshire and Warrington ESF bids for £6 million from Europe was 18th March, and these are now being appraised for approval. There were less bids than the money available - it is not know whether the uncommitted money will still be available for Cheshire and Warrington, or whether it will go into the central pot.

**Letter from the European Commission**

On 13th March, the head of the European Commission announced the EU Coronavirus Response Investment Initiative (CRII), which rapidly had support from the European Parliament and Council of Ministers. This mobilises Cohesion Funds to tackle the pandemic, including more flexibility on State Aid, and on ESIF funding, including ESF and ERDF, to support the healthcare sector, labour market and enterprises.

Since the UK is operating ESF and ERDF until the end of 2023 (and we are still in the Transition Period) this also affects us. On 18th March, a letter was sent to each of the 27 member states and also to the UK. The UK letter confirmed an extra £200m (€229m) for ESIF from Europe, and confirmed that from 1st February 2020, Coronavirus related expenditure would be eligible for ESIF, for example to support healthcare systems, including equipment, medicines and PPE, ESF support for short time working and community based services, and ERDF support for working capital including grants.

In England, there were no more ESF calls after 12th March, the proposed ERDF call of 20th March was cancelled, and the Growth Board - PMC of 23rd March was cancelled. The national Performance sub-committee has been meeting fortnightly to discuss what changes could be made to ESF and ERDF.

The Managing Authorities (DWP and MHCLG) have been negotiating with Europe concerning the CRII flexibilities. The DWP has successfully argued for more flexible deadlines, and for the removal of the requirement that at least 20% of ESF must be committed to tackling social exclusion.

The first substantial change to the remaining ERDF allocation has been announced (£50m in grants), with another announcement due soon. It is not known when ESF will respond.

*<https://ec.europa.eu/regional_policy/sources/newsroom/crii/uk_crii.pdf>*

**ERDF - committing remaining monies**

On 24th May, over the bank holiday weekend, it was announced that £50m would be made available to 314 Local Authorities, for the **Reopening High Streets Safely Fund**. To speed this up, the money was given to a Government Team in MHCLG, who then allocate it by size of population (amounts varying between £30k and £1million per local authority), expenditure from 1st June. The funding can cover a strategy, communications (citizens and enterprises) and temporary public realm changes. The intention is to pay for some of the extra costs as shops and buildings reopen. No match is required - the intention is to keep this as simple as possible.

The funding includes, £340k for Cheshire East, £305k Cheshire West and Chester, and £186k for Warrington.

A further £30m is expected to be announced in the next few weeks, to be allocated to the LEP level Growth Hubs, with £10m of this expected to be to support the visitor economy, likely to be for external technical support, plus grants of £3-5k for enterprises, including arts and cultural industries. Details are still being worked up.

It is thought that this will commit the remaining ERDF, but the figure is still changing because of adjustments to existing projects, unfinished appraisals, and exchange rate changes.

*[www.gov.uk/government/news/50-million-boost-to-support-the-recovery-of-our-high-streets](http://www.gov.uk/government/news/50-million-boost-to-support-the-recovery-of-our-high-streets)*

*www.gov.uk/government/publications/reopening-high-streets-safely-fund-guidance*

**ESF - waiting**

There is perhaps around £200m ESF still to be committed. Following the March letter, there have been no announcements by DWP as yet. It is thought likely they may be focussing on catching up with appraisals first. It also seems that they are waiting for Covid-19 ESF proposals from the LEP level ESIF committees.

**Appraisals**

Appraisals of bids continue to take a long time. For ESF despite an intention since last summer to appraise bids in sixteen weeks, it is still taking longer. And the time before an appraiser is allocated is not counted - so currently there are almost 150 bids, of which nearly seventy have not been allocated to an appraiser. After we have repeatedly expressed concern at Growth Board meetings, the number of appraisers is being tripled (from seven people), and it is hoped appraisals will catch up soon. The DWP is hoping to recruit to over sixty vacancies, starting about now.

For ERDF, appraisals result in around a dozen approvals completed each month. It is hoped that the outstanding eighty will be completed by the end of June.

**Getting Brexit done**

Negotiations are underway with the 27 countries of Europe, but both sides have said that there has been little progress. We are running out of time - the latest date for the UK to ask for an extension is the end of this month, and Ministers have said they will not do this. Thus we might reach the end of 2020 with only minimal trade agreements, or with nothing. Time will tell.

**UK Shared Prosperity Fund**

There is to be a consultation on this fund, which will replace the approx £2bn a year ESF and ERDF money that we would have received from Europe, but there is nothing announced yet. A useful document has recently been published.

*<https://commonslibrary.parliament.uk/research-briefings/cbp-8527>*

**Network for Europe**

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