

Agenda Item 8



Policy and Scrutiny

Open Report on behalf of Richard Wills, Executive Director for Environment and Economy

Report to: **Environment and Economy Scrutiny Committee**
Date: **27 February 2018**
Subject: **European Regional Development Fund (ERDF)**

Summary:

This paper proposes that Lincolnshire County Council will make two bids for European Regional Development funding – 1) to extend the Business Lincolnshire growth hub; and 2) attract funding towards the Saltfleet to Gibraltar Point beach nourishment scheme.

Actions Required:

Members of the Environment and Economy Scrutiny Committee are invited to support that the Executive Councillor for Economy and Place approve the submission of EU funding bids as outlined in the report.

1. Background

European Regional Development Fund (ERDF) Summary Brief

LCC regulations state that all bids for external funding of more than £250,000 should be agreed by the relevant Executive Councillor. Officers have prepared two bids which meet priorities that have been discussed at previous meetings of the Environment and Economy scrutiny committee.

Following the management information paper presented on 28th November 2017, the Greater Lincolnshire European Regional Development Fund (ERDF) Growth Programme is launching calls in January 2018 and March 2018 to commit remaining funds.

ERDF Grant Allocations by Priority Axis:

Priority Axis	% Committed to projects	Remaining ERDF to allocate to projects £000s
1: Research & Innovation	82%	2.683
2: ICT	85%	0
3: SME Competitiveness	49%	15.914
4: Low Carbon	66%	2.799
5: Flood risk management	59%	2.043
6: Protecting the Environment	0%	2.376

January 2018 Calls:

In Greater Lincolnshire the European Structural and Investment Fund (ESIF Committee) agreed to launch three calls for activity to bring forward projects under:

Priority Axis 1	Promoting Research & Innovation
Priority Axis 3	Enhancing the Competitiveness of SMEs
Priority Axis 5	Promoting climate change adaptation, risk prevention and management

Calls were published on 8th December 2017 with a closing date of 26th January 2018 for outline applications and promoted through the Greater Lincolnshire Local Enterprise Partnership, Business Lincolnshire and various meetings, events and workshops.

Projects submitted by Lincolnshire County Council as the applicant organisation under the January 2018 calls:

1) Business Lincolnshire Sustainable Business Growth 2 (Priority Axis 3 SME Competitiveness)

Business Lincolnshire Sustainable Business Growth 2 (BLSBG2) will be submitted with Lincolnshire County Council being the applicant organisation. This will be phase 2 of our current Growth Hub activity which has been developed to provide comprehensive business support advice to the business community. The current activity has been reviewed and phase 2 will ensure continuity of delivery but also include additional activity where any gaps in provision have been identified.

The programme will provide advisory support, capacity building and growth funding, and will include:

- 1-1 business support covering
 - ✓ information advice and guidance and action planning for growth
 - ✓ investment readiness/ access to private sector investors
 - ✓ resource efficiency
 - ✓ developing use of digital technologies and ICT
 - ✓ supply chain development
 - ✓ legislative risks and best practice
 - ✓ enhanced assistance for high growth potential SMEs (scale ups)
- Leadership and management development including a mentoring service
- Events, briefings, workshops and masterclasses
- Business Growth Grants
- Growing Graduate Enterprise - start up support for Greater Lincolnshire Local Enterprise Partnership based graduates who want to start in business

The project will dovetail into existing provision and start 1st June 2019 with delivery being completed by 31st May 2022. The total project cost of Phase 2 is £6,304,012 with £3,782.407 of European Regional Development Funding being requested. Lincolnshire County Council will be matching this with £1,839,831 of own funds.

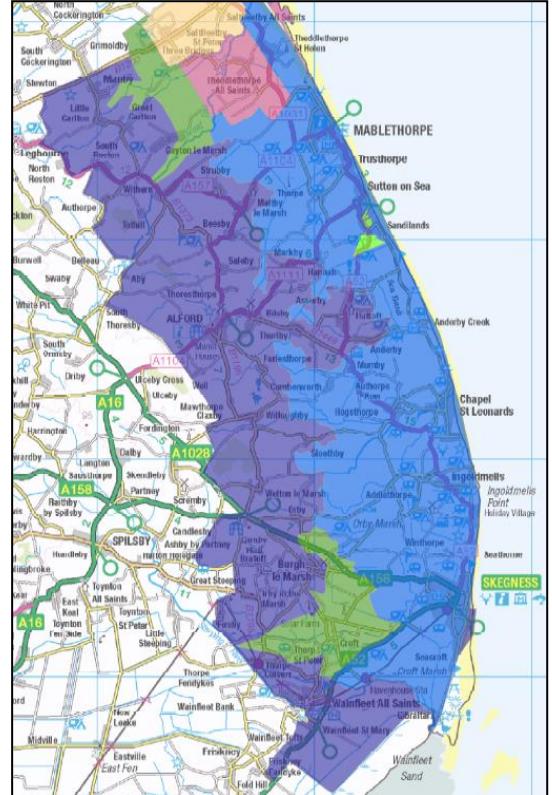
2) Interim Beach Management Lincolnshire Coast 2018/18 Priority Axis 5 Flood Risk Management

The project will re-nourish key locations of the Lincolnshire coastline between Saltfleet and Gibraltar Point with sand that is washed away from the beaches by natural coastal processes. The works involve:

- Dredging sand from the sea bed via a licensed site located off-shore
- Transporting the sand via a sea barge at high tide to the pre-determined locations off the Lincolnshire coast
- Pumping approx. 500,000m³ of sand over a six week period onto the beach in 5 main locations between Mablethorpe and Skegness
- Distributing the sand across the beaches to the required designed profile.

Beach re-nourishment is the current approved strategy (2018 – 2021) to manage coastal flood risk to meet the policy for this frontage as determined by the Shoreline Management Plan for this section coast. The Saltfleet to Gibraltar Point Strategy is reviewing how to maintain the beaches through alternative approaches.

The Environment Agency have led the delivery of its beach re-nourishment strategy 'Lincshore' for more than 20 years and will continue this strategy during the interim period (2018/21), before the new strategy is implemented.



If this project is successful in attracting European Regional Development Funding, this in turn will allow for a study to be supported to look at longer term sustainable options to beach re-nourishment on the coast.

The Environment Agency will carry out the delivery of the project, but Lincolnshire County Council will be the lead applicant due to the wider economic regeneration benefits and fit with the Water Management Plan.

The total project cost of the scheme is £7,500,000 with £1,000,000 European Regional Development Funding being sought. Match funding is being provided by the Environment Agency of £6,500,000.

Pipeline project up-date

The following table is an up-date of anticipated projects that will be submitted in the January 2018 call:

Priority Axis	Project Title	Total Project Cost	ERDF requested
1	Centre of Excellence for Greater Lincolnshire's Engineering Sector (UoL)	£4,499,485 £2,000,000 Growth Deal (secured)	£2,549,485
			£2,549,485
3	Better off in Business (PT)	£633,964	£380,378
3	Growing Enterprise (NBV)	£2,040,318	£1,224,191
3	Business Lincolnshire Sustainable Business Growth 2 (LCC)	£6,304,013	£3,782,407
3	Innovation Programme for Greater Lincolnshire (UoL)	£3,830,183	£2,285,012
3	Collaboration for Growth (Lincoln BIG)	£1,336,900	£802,140
3	Saxilby Light Industry Workspace Units (WLDC)	£1,800,000	£807,712
3	Grantham Incubation Units (SKDC)	£1,000,000	£600,000
3	Start up and Grow (YKTO)	£2,500,000	£1,500,000
			£11,381,840
5	Interim Beach Re-nourishment Scheme (LCC)	£7,500,000	£1,000,000
			£1,000,000
Total			£10,817,134

The European Structural Investment Funds Committee also reviewed the 4 outline applications that were submitted in the 2017 call under Priority Axis 6 Protecting the Environment. The 4 projects are:

- Gainsborough Green Corridor (West Lindsey District Council),
- Witham and Slea Blue/Green Corridor (North Kesteven District Council and South Kesteven District Council),
- Growing Environmental Resilience (City of Lincoln) and
- Freshney Valley Chalkstreams (North East Lincolnshire Council).

The projects are requesting ERDF grant funding of £3,995,031 but we currently only have £2,376,000 against Priority Axis 6. Projects were appraised by national team colleagues and reviewed by the European Structural Investment Funds Committee. Prioritisation of projects is now being carried out by DCLG based on European Structural Investment Funds Committee comments and 2018 national spend/output targets.

2. Conclusion

March 2018 calls are currently being agreed and a summer call will be open for any Priority Axis that has remaining/unallocated funds.

3. Consultation

a) Have Risks and Impact Analysis been carried out?

N/A

b) Risks and Impact Analysis

N/A

4. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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