

From: Mark Dance, Cabinet Member for Economic Development
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To: Growth, Economic Development & Communities Cabinet Committee – 1 February 2018

Subject: European Funding

Classification: Unrestricted

Past Pathway of Paper: N/A

Electoral Divisions: All Divisions

Summary:

This paper provides an update on the state of play for EU funding programmes and EU funded projects in Kent.

Recommendation:

The Growth Economic Development and Communities Cabinet Committee is asked to NOTE this report.

1. Introduction

- 1.1. The European Union has funded Kent projects on a range of topics including economic development, trade & investment, rural development, health & social care and the environment. For the current EU programming period 2014-20, KCC set itself an overall target of securing £100 million from EU funding for the county.

2. Approved Projects & Project Pipeline

- 2.1. Since the last update to GEDCCC in June 2017, additional European funding has been secured by Kent-based organisations: 8 new projects have been approved under the Interreg '2 Seas' and 'Channel' programmes worth a total of £6m and a further project under the South East LEP European Structural and Investment Fund ('ESIF') programme worth £200,000. As at December 2017, around 47 projects worth a total of some £82 million have been secured from the various European programmes for which the county is eligible. **Annex 1** lists the projects approved to date.

- 2.2. Several new project applications have recently been submitted:

- 17 projects involving Kent organisations submitted Interreg '2 Seas' stage 1 concept notes in November 2017. These include three from Kent County Council, 12 involving Kent's universities and others involving the Health & Europe Centre, NHS trusts and a District Council. Those receiving a positive recommendation will be invited in February to submit a full application by 2 May 2018. Three other projects are currently re-working their applications.

- Three Kent projects submitted expression of interest forms to the Interreg 'Channel' programme in November 2017. These are being worked into full application forms for the March 2018 submission deadline.

3. EU Funding programmes – what next?

- 3.1. The current Interreg programmes still have significant amounts of funding available to allocate to new projects and arrangements are currently being made for calls for proposals in 2018. **Annex 2** shows the application deadlines and funding remaining.
- 3.2. KCC hosted a '2 Seas' project development workshop in October 2017 to encourage KCC services and other local organisations to take advantage of the remaining opportunities to apply for co-operation funding. Plans are underway for similar events at the start of 2018 for the Channel and North West Europe programmes (see **Annex 3** for programme geographies). KCC and Kent organisations are being encouraged to develop new project applications.
- 3.3. Some of the Interreg programmes are now developing targeted calls for projects. The Channel programme, for instance, will be inviting organisations to join strategic projects during 2018. Kent organisations may be able to get involved in new project applications on different themes including rural tourism development and the economic integration of refugee families.
- 3.4. Following the Brexit talks in December 2017, some clarifications on the status of the current Interreg programmes have been provided (see **Annex 4** for the text resulting from the negotiations). The Interreg programmes for which Kent is eligible will continue to run as originally planned for the whole of the 2014-2020 funding period. This means that UK-based organisations will continue to be able to apply for funding during 2018 and 2019 for projects which can run until mid-2022. Projects will need to demonstrate good value for money and be in line with UK strategic priorities.
- 3.5. There is considerable uncertainty about what arrangements might replace EU funding after the UK leaves the European Union. During the December 2017 Brexit negotiations, the UK government also expressed a wish to participate in some of the post-2020 EU co-operation programmes. This would mean that UK-based organisations might be able to access funding programmes such as Interreg or the 'Horizon 2020' research programme. Non-EU Member States such as Norway and Switzerland are currently able to participate in EU funding programmes and similar arrangements might be put in place for the UK in the future. There are also indications that the Government's 'Shared Prosperity Fund' might be developed to replace ERDF and ESF programmes beyond 2020. Any further clarifications will be communicated to Members.

4. Conclusion

- 4.1. Despite a period of uncertainty since the EU referendum in June 2016, our proactive approach to bidding means that Kent is on the way to achieving its European funding target for the 2014-20 programming period. There are

still opportunities to develop new projects under the current EU funding programmes and we are encouraging Kent organisations to do so.

5. Recommendation:

5.1 The Growth, Economic Development and Communities Cabinet Committee is asked to NOTE this report.

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Annex 1: KCC/Kent Projects Approved as at December 2017

Project	Organisation/Contact	Grant sought for KCC/Kent	Project Summary	Current Status
Interreg 5A 2 Seas Programme				
ISE (Innovative Sector Exchange)	Kent County Council	£431,000 (incl. £123,000 for Kent Invicta Chamber)	A business support project to help Kent companies innovate and internationalise by connecting them to SMEs in nearby European partner regions to promote collaborations and innovation	Approved at Programme Monitoring Committee (PMC) meeting on 29 February 2016. (Green)
DWELL (Diabetes and WELLbeing)	International Health Alliance/ KCC / Canterbury Christ Church University	£850,000	To encourage people with poorly controlled diabetes to make sustainable changes to health and wellbeing related behaviour.	Approved at Programme Monitoring Committee (PMC) meeting on 12-13 July 2016.
EDUCAT (Empowerment of Disabled People through co-production of Assistive Technology)	University of Kent/East Kent Hospitals	£500,000	Empowering disabled people through assistive technology.	Approved at Programme Monitoring Committee (PMC) on 12-13 July 2016
INCASE (Towards Industry via Networking Control Applications and Sustainable Engineering)	University of Kent/University of Greenwich	£260,000	Facilitate smart growth through the development of automation technologies.	Approved at Programme Monitoring Committee (PMC) on 12-13 July 2016
PACE (Providing Access to Childcare and Employment)	Kent County Council	£275,000	Develop and test new models for childcare services to facilitate new routes to employment for vulnerable parents.	Approved at Programme Monitoring Committee (PMC) on 12-13 July 2016; implementation underway.
PROFIT (PROfessional Framework for Innovation in Tourism)	Visit Kent	£240,000	To support Kent-based tourism SMEs to innovate and adapt traditional business models to encourage long-term growth.	Approved at Programme Monitoring Committee (PMC) on 12-13 July 2016
SCAPE (Shaping Climate Change Adaptive Places)	Kent County Council/AONB	£200,000	To make coastal landscapes better adapted and more resilient to climate change.	Approved at Programme Monitoring Committee (PMC) meeting on 12-13 July 2016.
Triple C (Climate resilient community-based catchment planning and management)	Kent County Council/AONB	£180,000	Climate resilient community-based catchment planning and management – will support natural flood management measures in the Upper Darent.	Approved at Programme Monitoring Committee (PMC) meeting on 12-13 July 2016.
Triple A (Adoption of low carbon technologies by homeowners through increased Awareness and easy Access)	Kent County Council	£320,000	A financing scheme for domestic energy efficiency measures	Approved at Programme Monitoring Committee on 24 November 2016.
ICARES (Innovation Cluster Accelerating Remote Sensing)	Kent County Council/AONB	£ 108,000	Develop remote sensing technology for monitoring agriculture, nature and water.	Approved at Programme Monitoring Committee (PMC) on 25 November 2016.

Project	Organisation/Contact	Grant sought for KCC/Kent	Project Summary	Current Status
Interreg 5A 2 Seas Programme				
CASCADE (Community Areas of Sustainable Care and Dementia Excellence in Europe)	International Health Alliance /Canterbury Christ Church University	£3.7 million (incl. Medway)	To develop a financially sustainable approach to elderly/dementia care (EDC) that can be replicated across Europe.	Approved at Programme Monitoring Committee (PMC) on 7 February 2017.
SBS (Step by Step)	International Health Alliance/KCC/CCCUniv	£650,000	Improving the physical and mental well-being of men, increasing the uptake of health interventions.	Approved at Programme Monitoring Committee (PMC) meeting July 2017.
STAR2CS	Kent County Council	£360,000	Reduce the impacts of future flooding and adapt to climate change by demonstrating how to build cost-effective and incremental adaption measures into planning and decision-making.	Approved at Programme Monitoring Committee (PMC) meeting July 2017.
SUMARIS (Sustainable management of rays and skates)	Kent and Essex Inshore Fisheries Conservation Authority	£80,000	improving the management of fish stocks – rays and skates – in the Channel	Approved at Programme Monitoring Committee (PMC) meeting July 2017.
TICC (Transforming Integrated Care in the Community)	International Health Alliance /KCC/Kent Community Health Foundation Trust	£1,500,000	A project to transfer an innovative and cost-effective Dutch social care model to Kent where teams of staff will manage themselves and provide all aspects of integrated care at home in a designated neighbourhood.	Approved at Programme Monitoring Committee (PMC) meeting July 2017.
BIO4SAFE	NIAB East Malling Research	£155,000	A project researching resource efficiency (water and fertiliser use) and safeguarding in horticulture by using bio-stimulants and innovative sensors	Approved at Programme Monitoring Committee (PMC) meeting July 2017.
PROWATER (Protecting and Restoring Raw Water Sources Through Actions at the Landscape Scale)	Kent County Council	£83,000	A project which will explore how land management in Kent can improve the infiltration of rainwater to replenish aquifers.	Approved at Programme Monitoring Committee (PMC) meeting November 2017.
Interreg 5A France-England Channel Programme				
ADAPT	International Health Alliance	£1.4 million	Development of innovative assisted technology for people with severe cognitive and physical disabilities.	Approved at Programme Monitoring Committee on 29 November 2016.
SURFAS (Flexible smart surfaces for augmented indoor communications)	University of Kent	£175,000	Development of energy-efficient solutions to reduce the cost of Communicating Devices (CDs) including alarms, wireless access etc.	Approved at Programme Monitoring Committee on 2 February 2017
GO TRADE	Visit Kent; Gravesham Borough Council; University of Greenwich	£685,000	A project to increase visitor footfall to traditional markets and help traders build sustainable businesses. Visit Kent, Gravesham Borough Council and the University of Greenwich are among 16	Approved at Programme Monitoring Committee in July 2017

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Interreg 5A 2 Seas Programme				
INCREASE	Optivo	£1,300,000	French and British partners. Develop a new cross-border training programme to help social housing residents set up their own micro-businesses or achieve other forms of employment	Approved at Programme Monitoring Committee in July 2017
Interreg 5B North West Europe (NWE) Programme				
Boost4Health	Kent County Council	£197,000	A project to connect Kent's new life science cluster and companies from different European countries and support them in their export journey by providing access to relevant expertise and business contacts through an innovation voucher scheme.	Full Application approved at PMC on 25 February 2016.
E = 0 - Creating a mass market for net zero energy retrofits in NEW	Moat Homes Ltd	£1,08 million	Addressing poor energy performance of residential buildings by generating a new mass market for net zero energy retrofits across NWE	
Interreg 5B North Sea Region (NSR) Programme				
BEGIN (Blue Green Infrastructure through social Innovation)	Kent County Council	£110,000	To identify climate adaptation solutions for flooding in urban areas (Swale) service management approaches, business cases and social innovation approaches.	Approved at Steering Committee on 27-28 September 2016.
FRAMES (Flood Resilient Areas by Multilayer Safety)	Kent County Council	£263,000	A project focusing on risk and crisis management and develop new mechanisms to improve local resilience to flooding.	Approved at Steering Committee on 27-28 September 2016.
Inn2Power(Innovation to Push Offshore Wind Energy Regions)	Kent County Council	£185,000	To improve innovation capacity and access to the offshore wind industry for SMEs by creating the appropriate support conditions.	Approved at Steering Committee on 27-28 September 2016.
Interreg 5C (Europe) Programme				
PASSAGE (Public authority supporting low carbon growth)	Kent County Council	£213,000	Development of low carbon strategies to prevent pollution in maritime borders.	Approved at PMC on 10 February 2016.
SME Internationalisation Exchange (SIE)	Kent County Council	£195,000	A policy exchange project focusing on the challenges and solutions for SME internationalisation. The project will enable KCC to learn and test new ways of supporting Kent SMEs into export markets and to forge links with other EU regions to help with market entry.	Approved at PMC on 10 February 2016.
Green Pilgrimage	Kent County Council – Kent Downs AONB	£187,000	Promotion of green pilgrimage in support of tourism, health and wellbeing outcomes focused on the North Downs Way National Trail.	Approved at PMC on 5 October 2016.

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Interreg 5A 2 Seas Programme				
South East LEP ESIF Programme (ERDF)				
LOCASE (low carbon across the South East)	Kent County Council	£3,800,000	A business support project for supporting the shift towards a low carbon economy in all sectors.	Approved .July 2016
Inward Investment Kent	Kent County Council	£1,752,000	A joint project with Locate in Kent to retain and attract investment into the life science sector, including the development of the emerging Biogateway Kent Life Science Cluster.	Approved November 2016
South East Business Boost (SEBB)	Kent County Council (with Medway)	£1,100,000	SEBB will provide direct 1:1 advice to Start-Up and early stage businesses and firms that are seeking to grow through process and product innovations. It also offers a grant programme focused on innovation.	Approved
South East Creative, Cultural and Digital project (SECCAN)	Kent County Council & Thurrock DC	£200,000	A three-year programme of creative industry business support incl. Creative Hubs in Margate and Folkestone.	Contract negotiation underway
South East LEP ESIF Programme (ESF)				
Enhancing Apprenticeships Kent and Medway (SFA opt-in service)	Skills Training UK (provider)	£7,234,000	Apprenticeship services Kent & Medway	MOU agreed November 2016. Runs to July 2018
Digital skills (EFSA)	East Kent College (Provider)	£1,416,550 (whole SELEP area)	East Kent College delivering digital skills for people in employment across SELEP area, working with local colleges. Courses at level 3 and above matched to growth sectors	Runs to 2018
Higher level skills	Ixion Holdings (Provider)	£4,604,575 (whole SELEP area)	Delivering higher level skills (level 3+) for people in employment across the SELEP area. Skills to align to priority sectors and employer need	Runs to July 2018
Basic skills	Skills Training UK (Provider)	£2,000,000 (whole SELEP area)	Supporting basic skills in the workplace (up to level 2) across the SELEP area for adults (19+)	Runs to July 2018
Numeracy skills	Skills Training UK (Provider)	£2,160,000 (whole SELEP area)	Supporting numeracy in the workplace across the SELEP area for adults (19+)	Runs to July 2018
Employment Support for people with disabilities and	Sussex Community Development Foundation	£3,574,000 over 3 years	Funding for third sector partnerships to provide intensive and ongoing practical employment support	Approved.

Project	Organisation/Contact	Grant sought for KCC/Kent	Project Summary	Current Status
Interreg 5A 2 Seas Programme				
long term health issues			for disadvantaged people with long term physical health issues or disabilities to move into sustainable volunteering, education, training or employment across the Kent, Medway and East Sussex area.	
Employment support for people with mental health issues	Porchlight and Sussex Community Development Foundation	£2,260,000 over 3 years	Funding for third sector partnerships to provide intensive and ongoing practical employment support for disadvantaged people with either a primary or secondary mental health condition to move into sustainable volunteering, education, training or employment across the Kent, Medway and East Sussex area.	Approved
Employment support for older people	Social Enterprise Kent CIC	£483,000 over 3 years	Funding for third sector partnerships to provide intensive and ongoing practical employment support for older people (aged 45 and over) to move into sustainable volunteering, education, training or employment across the Kent, Medway and East Sussex area.	Approved
Employment support for lone parents	Gingerbread (national charity)	£831,000 over 3 years	Funding for third sector partnerships to provide intensive and ongoing practical employment support for lone parents to move into sustainable volunteering, education, training or employment across the Kent, Medway and East Sussex areas	Approved.
Employment support for people with difficulty sustaining employment	Royal British Legion Industries Ltd	£870,000 over 3 years	Funding for third sector partnerships to support people who are furthest from the labour market to overcome barrier to move towards and into sustainable volunteering, education, training or employment across the Kent, Medway and East Sussex area.	Approved.
South East LEP ESIF Programme (EAFRD)				
Biddenden Fruit Handling and Contract Processing	Biddenden Vineyards	£70,850	Purchase and installation of new fruit handling and pressing machinery.	Approved at ESIF Committee on 15 March 2016.
Simpson's Wine Estate Business Growth	Simpson's Wine Estates	£143,150	Conversion of 2 agricultural buildings into a winery.	Approved at ESIF Committee on 15 March 2016.
Business growth project	RG Gibson Ltd.	£151,400	Farm shop expansion	Approved in 2017
Business diversification	Rankins Farm	£135,250	Installation of Glamping pods	Approved in 2017
Business development	SW Attwood & Partners	£418,300	Grain storage & processing	Approved in 2017

Project	Organisation/Contact	Grant sought for KCC/Kent	Project Summary	Current Status
Interreg 5A 2 Seas Programme				
Business development	WB Chambers Farms Ltd.	£266,700	Project starfruit	Approved in 2017
Connecting Europe Facility (CEF) Programme				
BRIDGE (Building the Resilience of International & Dependent Gateways in Europe)	Port of Dover	£18,900,000	Maritime and civil works – including new quay walls, dredging, land reclamation to create additional freight vehicle capacity.	Approved 10 July 2015 and Implementation underway.
BRIDGE - Motorways of the Sea II	Port of Dover	£23,450,000	Financing of refrigerated cargo terminal in Dover and relocation of cargo operations to initiate port-centric distribution and utilise empty backloads.	Approved 10 July 2015 and Implementation underway.
ERASMUS + (Education & Training)				
Inclusion for Young Newcomers!	Kent County Council	£62,700	Comparative research across systems of education in Europe to improve classroom teaching and practice and consider similarities and differences.	Approved July 2016; implementation underway.
TABLO	International Health Alliance	£46,000	To train staff in the use of the Arts for the benefit of patients with long-term conditions.	Approved and implementation underway.
Working Together to promote Diversity and Inclusion	Kent County Council	£8,000	Youth Exchange.	Approved.

Annex 2: EU ‘Territorial’ Funding Programmes 2014-20 open for applications from KCC/Kent

Programme (see also maps)	Priorities	Programme Budget	Grant rate	Latest/Next Calls	No. of projects, value secured by KCC/Kent to date
Interreg ‘2-Seas’ Cross-Border Cooperation	<ul style="list-style-type: none"> • Innovation • Low Carbon • Climate Change • Resource Efficiency 	€257m €137m left (Oct 17)	60%	February - May 2018 Call 5 Full Applications & call 6 stage 1 applications Sept – Nov 2018 Call 6 full applications	17 - £9.86 million
Interreg ‘Channel’ Cross-Border Cooperation	<ul style="list-style-type: none"> • Innovation • Low Carbon • ‘Enhanced Attractiveness’ • Balanced Development 	€223m €167m left (Sep 17)	69% 80%	January; March; July 2018: Step 1 deadlines Jan; March; Sept; Oct 2018 Full application deadlines April & October 2018 Micro-Projects	3 – £1.94 million
Interreg North West Europe (NWE) Transnational Cooperation	<ul style="list-style-type: none"> • Innovation • Low Carbon • Resource Efficiency 	€396m €285m left (Sep 17)	60%	April 2018: Call 7 step 1 July 2018 Single stage (renewables)	2 - £1.2million
Interreg North Sea Region (NSR) Transnational Cooperation	<ul style="list-style-type: none"> • Innovation • Low Carbon • Climate Change • Environment • Sustainable Transport 	€157m	50%	Jan-March 2018 Call 5 Full Applications Possible call 6 TBC	3 - £558K
South East LEP ‘European Structural & Investment Fund (ESIF)’	<ul style="list-style-type: none"> • Innovation • SME Competitiveness • Low Carbon • Employment • Education • Social Inclusion 	€185 m	50%	Jan 2018 Stage 1 Applications invited <ul style="list-style-type: none"> • £17.5m available for SME support • £6.9m for Innovation and Research • £6.9m available for Low Carbon. 	4 - £6.8 million

Annex 3: Maps of Programme Areas

Interreg '2-Seas' Cross-Border Cooperation programme 2014-20

Promoting joint working and cross-border cooperation between partner organisations in England, France, Flanders and The Netherlands

- o € 257 million
- o Managing Authority: Nord-Pas de Calais
- o 60% Co-financing rate



www.interreg4a-2mers.eu/2014-2020

Interreg 'Channel' Cross-Border Cooperation Programme 2014-20

Franco-British Cooperation across the English Channel

- o €223 million
- o Managing Authority: Norfolk



www.interreg4a-manche.eu

North West Europe (NWE) Transnational Cooperation Programme 2014-20

Addressing EU-wide challenges and opportunities across a wide geographical area

- o €396 million budget
- o Enhancing the capacity of NWE to generate innovation; climate change mitigation and investing in eco-innovation and resource efficiency



www.nweurope.eu/index.php

North Sea Region (NSR) Transnational Cooperation Programme 2014 - 20

Will cover the three Priority Themes of Innovation, Environment and Transport

- o €167 million budget
- o Revitalising the NSR Economy; Leading on Sustainable Growth and Sustainable Transport and Logistics



www.northsearegion.eu

SELEP EU STRUCTURAL & Investment Fund (ESIF) 2014-2020



www.interreg4c.eu/interreg-europe

Interreg Europe Programme



www.southeastiep.com

Annex 4: Extract from the “Joint Report from the Negotiators of the European Union and the United Kingdom Government on Progress During Phase 1 of Negotiations Under Article 50 TEU on the United Kingdom’s Orderly Withdrawal from The European Union”

Published on the TF50 website on 8 December 2017 (Task Force for the Preparation and Conduct of the Negotiations with the United Kingdom under Article 50 TEU (TF50))
https://ec.europa.eu/commission/sites/beta-political/files/joint_report.pdf

Origin: Presented jointly by the negotiators of the European Union and the United Kingdom Government.

Remarks: This report is put forward with a view to the meeting of the European Council (Article 50) of 14-15 December 2017. Under the caveat that nothing is agreed until everything is agreed, the joint commitments set out in this joint report shall be reflected in the Withdrawal Agreement in full detail. This does not prejudice any adaptations that might be appropriate in case transitional arrangements were to be agreed in the second phase of the negotiations, and is without prejudice to discussions on the framework of the future relationship.

UK participation in programmes of the MFF [Multiannual Financial Framework] 2014-2020

Article 71. Following withdrawal from the Union, the UK will continue to participate in the Union programmes financed by the MFF 2014-2020 until their closure (excluding participation in financial operations which give rise to a contingent liability for which the UK is not liable as from the date of withdrawal). Entities located in the UK will be entitled to participate in such programmes. Participation in Union programmes will require the UK and UK beneficiaries to respect all relevant Union legal provisions including co-financing. Accordingly, the eligibility to apply to participate in Union programmes and Union funding for UK participants and projects will be unaffected by the UK’s withdrawal from the Union for the entire lifetime of such projects.

Article 72. In the second phase of negotiations it could be agreed that some rules related to Union programmes that would be considered as not relevant in relation to a departing Member State would not apply. As part of the second phase of negotiations, the Union and the UK could also decide to agree to simplified procedures so as to avoid unnecessary administrative burdens extending well beyond the end of the current multiannual financial framework, provided that they respect the sound financial management of the Union budget and do not result in discrimination in favour of the UK or UK beneficiaries. The UK and the Union could also agree on administrative procedures to facilitate the management of specific programmes.

Article 73. The UK states that it may wish to participate in some Union budgetary programmes of the new MFF post-2020 as a non-Member State.