

From: Mark Dance, Cabinet Member for Economic Development
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To: Growth, Economic Development and Communities Cabinet Committee - 21 June 2017

Subject: European Funding

Classification: Unrestricted

Past Pathway of Paper: N/A

Future Pathway of Paper: N/A

Electoral Divisions: All Divisions

Summary:

This paper provides an updated pipeline of KCC and Kent projects reliant on EU funding, and summarises the European funding schemes which remain open for further bids.

Recommendation:

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

1. Project pipeline

- 1.1. EU funding helps deliver our strategic priorities and corporate outcomes for the benefit of the people of Kent. These include, for example, projects for economic development and regeneration; business, trade and inward investment; rural development; health and social care and the environment. For the current EU programming period 2014-20, KCC has an overall target of securing £100 million in EU funding across Kent in support of our strategic priorities. **Annex 1** lists the KCC and non-KCC projects currently in the pipeline.
- 1.2. As at May 2017, around 35 projects worth a total of some £65 million in European grants had been secured from the range of European programmes for which the county is eligible. These include the South East LEP European Structural and Investment Fund ('ESIF') programme and the 'Interreg' transnational cooperation programmes.
- 1.3. Notable successes under 'ESIF' have included for example:
 - The '**Foreign Inward Investment Kent**' project (£1.8 million in ERDF grant for KCC) will generate a positive perception of the county, including through increased marketing and promotion activity, to attract foreign direct investment from high value, leading edge UK and foreign investors;

- The '**Low Carbon Across the South East**' (**LOCASE**) project (£3.8 million) will provide specialist advice and support to Kent Small and Mediums-sized Enterprises to exploit low carbon technologies and improve their resilience, profitability and competitiveness;
- The '**South East Business Boost**' (**SEBB**) project (£1.1 million) will provide direct 1:1 support to Kent Start-Ups and early stage businesses, together with grants funded at 30% for capital purchases to pump-prime business expansion.

1.4. Under Interreg:

- The '**Innovative Sector Exchange**' (**ISE**) project (£431k) is supporting trade missions and market visits for Kent SMEs to help them to 'internationalise' and access new overseas commercial opportunities;
- The '**CASCADE**' project (£3.7 million including Medway), led by the KCC-supported International Health Alliance (IHA), is developing a financially sustainable approach to elderly/dementia care;
- The '**FRAMES**' project (£263k) is focusing on risk and crisis management and developing new mechanisms to improve Kent's local resilience to flooding.

1.5. A number of Stage 1 applications have also been invited to submit Full Applications (indicated Amber within the pipeline) so there may be further successes in the coming months. The most common reasons for projects to be rejected include:

- failure to evidence the **need** and **demand** for a project;
- a lack of **innovation** or **added-value** to what already exists;
- poorly defined or measurable **results** and **outputs**;
- no clear rationale for why an **international solution** is required;
- poor **value for money** in relation to the budget requested.

2. EU Funding programmes

2.1. The Government confirmed in October 2016 that it would guarantee EU funding for Structural and Investment Fund projects signed before the UK's departure from the EU, even if projects continued after we had left. Projects needed, however, to demonstrate good value for money and be in line with domestic strategic priorities.

We will therefore continue to be able to apply to all of the EU programmes for which we have been eligible to date. For example, DCLG the Managing Authority for the ESIF ERDF programme, recently published three new 'rolling' Open Calls for Applications in the South East LEP area which will remain open until January 2018. These cover:

- Research and Innovation – up to £9.6 million of funding available;
- SME Competitiveness and Growth - £17.5 million;

- Low Carbon Economy - £6.9 million.

2.2. **Annex 2** summarises the main 'territorial' (i.e. geographically defined) European funding programmes, including their investment priorities and latest call dates, which remain open for further bids from KCC and non-KCC organisations. Significant funding remains under all of these programmes with, for example, 47% (£34.7 million) of SELEP's ERDF allocation of £74.1 million was still to be committed as at April 2017.

3. Conclusion

3.1. A potential lack of new projects because of uncertainty over 'Brexit', the consequent curtailing of our current EU programmes as well as staff resourcing and match-funding issues, do pose a threat to meeting our overall EU funding target and the delivery of our priorities. In order to mitigate this risk KCC should, in the short term, continue to prioritise support for EU project development activity in order to maximise funding from the opportunities which remain. In the longer term, we should seek post-Brexit domestic funding for cooperation with European partners on business and trade, cross-Channel transport and other issues with a clear cross-border dimension.

Recommendation:

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

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KCC/Kent Projects - Status as at May 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 – Steve Samson	£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)
SCAPE (Shaping Climate Change Adaptive Places)	Kent County Council/AONB – Elizabeth Milne	£200,000	To make coastal landscapes better adapted and more resilient to climate change.	Approved at 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 – Carolyn McKenzie	£320,000	A financing scheme for domestic energy efficiency measures	Approved at PMC on 24 November 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 PMC meeting on 12-13 July 2016.
CASCADE (Community Areas of Sustainable Care and Dementia Excellence in Europe)	International Health Alliance – Alice Chapman-Hatchett / Canterbury Christ Church University – Carolyn Jackson	£3.7 million (incl. Medway)	To develop a financially sustainable approach to elderly/dementia care (EDC) that can be replicated across Europe.	Approved at PMC on 7 February 2017.
SBS (Step by Step)	International Health Alliance/KCC/CCCUniv – Alice Chapman-Hatchett	£500,000	Improving the physical and mental well-being of men, increasing the uptake of health interventions.	Concept Note approved by Strategic Task Force (STF) on 16 Jan 2017 and Full Application invited. (Amber)

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LOWCAR (Low Carbon Transport in the Leisure Sector)	Kent County Council/Visit Kent	£400,000	To shift behaviour from car use to low carbon transport (LCT) modes.	Rejected at PMC on 7 February 2017. (Red)
DWELL (Diabetes and WELLbeing)	International Health Alliance/KCC/CCCUniv – Alice Chapman-Hatchett	£850,000	To encourage people with poorly controlled diabetes to make sustainable changes to health and wellbeing related behaviour.	Approved at PMC meeting on 12-13 July 2016.
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 PMC 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 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 PMC on 12-13 July 2016
STAR2CS	Kent County Council – Christine Wissink	£360,000	To implement innovative adaptation solutions in recovery from flooding/drought.	Concept Note approved by STF on 16 Jan 2017 and Full Application invited.
APACE (Accelerated Practical Adoption of Circular Economy)	Kent County Council - Carolyn McKenzie	£KCC tba (Total budget €2.2 million)	Support Kent businesses to identify and commercialise new circular economic opportunities within product design, processes or use of materials.	Concept Note approved by STF on 16 Jan 2017 and Full Application invited.
PACE (Providing Access to Childcare and Employment)	Kent County Council – Sean Carter	£275,000	Develop and test new models for childcare services to facilitate new routes to employment for vulnerable parents.	Approved at PMC on 12-13 July 2016; implementation underway.

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ICARES (Innovation Cluster Accelerating Remote Sensing)	Kent County Council/AONB - Catherine Brady	£ 108,000	Develop remote sensing technology for monitoring agriculture, nature and water.	Approved at PMC on 25 November 2016.
Interreg 5A France-England Channel Programme				
CHEFS (Channel Hub for Enhancing Food Specialties)	Produced in Kent – Stephanie Durling	£233,700	A project to increase the contribution of protected food marks to the local economy, add value to the food & drink sector products and help over 200 agri-food SMEs innovate and reach new markets	Full Application rejected at PMC on 29 June 2016
Student Entrepreneurs	Kent Science Park – Richard Wheeler	£53,600	Increase the creation of enterprises by students, including through youth entrepreneurship.	Full Application rejected at PMC in April 2016. Advised to submit new Concept Note.
ADAPT	International Health Alliance – Alice Chapman-Hatchett	£1.4 million	Development of innovative assisted technology for people with severe cognitive and physical disabilities.	Approved at PMC on 29 November 2016.
GO TRADE	University of Greenwich – Andres Coca-Stefaniak	£173,000	Using traditional markets as a catalyst for job creation, skills development and growth through the visitor economy.	Full Application rejected at PMC in April 2016. Advised to submit new Concept Note.
Wellness	KCC , AONB - Catherine Brady		Developing tourism and creating new products linked to health and wellbeing	Phase 1 Application rejected at PMC on 3 August 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 PMC on 2 February 2017
Interreg 5B North West Europe (NWE) Programme				
Boost4Health	Kent County Council (with Locate in Kent) –	£197,000	A project to connect Kent's new life science cluster and companies from	Full Application approved at PMC on 25

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	Steve Samson		different European countries and support them in their export journey by providing access to relevant expertise and business contacts through an innovation voucher scheme.	February 2016.
Interreg 5B North Sea Region (NSR) Programme				
Inn2Power(Innovation to Push Offshore Wind Energy Regions)	Kent County Council – Carolyn McKenzie	£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.
FRAMES (Flood Resilient Areas by Multilayer Safety)	Kent County Council - Christine Wissink	£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.
BEGIN (Blue Green Infrastructure through social Innovation)	Kent County Council – Will Moreno	£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.
USE-IT	Kent County Council on behalf of the Kent Connects Partnership – Carol Patrick	£170,000	To increase digitisation to adapt to increasing customer and staff demands for easily accessible and better structured public services.	Rejected at Steering Committee on 27-28 September.
Interreg 5C (Europe) Programme				
PASSAGE (Public authority supporting low carbon growth)	Kent County Council – Carolyn McKenzie	£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 – Steve Samson	£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	Approved at PMC on 10 February 2016.

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			and to forge links with other EU regions to help with market entry.	
Nine (Networking Innovation in Health & Care)	Kent County Council – Anne Tidmarsh	£175,000	Exchange of experience to improve policies in support of innovation infrastructure (e.g. incubators, technology information centres, research centres) addressing the key societal challenges in the field of health, demographic change and well-being.	Rejected at PMC on 10 February 2016.
CONCH (Capitalising on our natural and cultural heritage)	Kent County Council – Chris Drake	£472,000	A policy exchange project focusing on maximising the value of Kent's natural and cultural heritage.	Rejected at PMC on 10 February 2016.
Green Pilgrimage	Kent County Council – Kent Downs AONB – Nick Johannsen	£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.
South East LEP ESIF Programme (ERDF)				
LOCASE (low carbon across the South East)	Kent County Council – Chris Seamark	£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 – David Hughes	£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
I2S (Innovate to Succeed)	University of Greenwich	£500,000	To provide tailored support to SMEs to help them enhance their innovation management capability including in depth diagnostic assessment and a bespoke package of support.	Full Application currently being assessed.

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South East Business Boost (SEBB)	Kent County Council (with Medway)- Sue Berdo	£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	Thurrock DC/ Kent County Council - Tony Witton	£200,000	A three-year programme of creative industry business support incl. Creative Hubs in Margate and Folkestone.	Seeking final award
Growth Hub Business Finance	Kent County Council – Ross Gill	£3,006,000	To help small businesses to achieve their potential for growth through targeted financial assistance, bridging the gap in available finance and enable them enter new markets and unlock commercial finance.	Rejected at 'Gateway' stage.
South East LEP ESIF Programme (ESF)				
Enhancing Apprenticeships Kent & Medway (ESFA opt-in service)	Skills Training UK (provider)	£7,234,000	Apprenticeship services Kent & Medway	Memorandum Of Understanding agreed November 2016
Employment Support for people with disabilities and long term health issues (Big Lottery opt-in service)	Sussex Community Development Association	£3,574.000 over 3 years	Funding for third sector partnerships to provide intensive and ongoing practical employment support 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.	Approved.
Employment support for people with mental health issues (Big Lottery	Porchlight and Sussex Community Development	£2,260,000 over 3 years	Funding for third sector partnerships to provide intensive and ongoing practical employment support for disadvantaged	Approved.

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opt-in service)	Foundation		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.	
Employment support for older people (Big Lottery opt-in service)	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 (Big Lottery opt-in service)	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 (Big Lottery opt-in service)	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 – Richard Barns	£59,200	Purchase and installation of new fruit handling and pressing machinery.	Approved at ESIF Committee 15/03/16
Simpson's Wine Estate Business Growth	Simpson's Wine Estates – Ruth Simpson	£105,000	Conversion of 2 agricultural buildings into a winery.	Approved at ESIF Committee on 15/03/16

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South East LEP ESIF Programme Community-Led Local Development – CLLD (ERDF & ESF)				
Folkestone CLLD	Shepway District Council	£20,000 (initial development); £5,000,000 for full proposal	To tackle deprivation, poor quality local infrastructure and other priorities identified by the local community in a bottom-up approach.	Invited to submit a second stage Full Application
Connecting Europe Facility (CEF) Programme				
Ashford Spurs	Kent County Council - Dafydd Pugh/Stephen Gasche	£1,900,000*	Re - signalling at Ashford International Station to allow existing and future international trains to stop at the station.	*Although European CEF funding for this amount was secured, for cost and technology reasons, the project is now to be fully funded domestically by SELEP.
BRIDGE (Building the Resilience of International & Dependent Gateways in Europe)	Port of Dover – Richard Christian	£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 – Richard Christian	£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)				
BOOST (boosting the creativity of teaching)	Kent County Council – Sue Tunnicliffe	£158,000	To develop a methodology for developing a whole school approach to creative teaching.	Rejected
Leadership in Schools	Kent County	£51,000	A project to look at different models of	Rejected.

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	Council/University of S. Denmark – Sue Tunncliffe		leadership and leadership development in different educational structures.	
Inclusion for Young Newcomers!	Kent County Council – Sean Carter	£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.
Virtual Classrooms	Kent County Council – David Knox	£241,000	The project will service a core of health needs learners and the wider county where appropriate to raise attainment and outcomes for English, Maths, Science and ICT.	Rejected
ECO Early Years	Kent County Council – Pam Rawling	£74,000,	To develop a framework to support early years teaching.	Rejected
TABLO	International Health Alliance – Alice Chapman-Hatchett	£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 – Sarah Gaunt/Claire Tanton	£8,000	Youth Exchange.	Approved.

EU 'Territorial' Funding Programmes 2014-20 open for applications from KCC/Kent

Programme (see also maps)	Priorities	Programme Budget (€ millions)	Grant rate (%)	Latest/Next Calls	No. of projects, value secured by KCC/Kent to date
Interreg '2-Seas' Cross-Border Cooperation	Innovation Low Carbon Climate Change Resource Efficiency	257	60	May –Sept 2017 (Call 4 Full Applications) August –October 2017 (Call 5 Stage 1 Applications)	11 - £7 million
Interreg 'Channel' Cross-Border Cooperation	Innovation Low Carbon 'Enhanced Attractiveness' Balanced Development	223	69 80	Sept - October 2017 (Call 6 Full Applications) Feb – March 2018 (Call 7) October 2017 ('Micro-Projects')	2 - £383K
Interreg North West Europe (NWE) Transnational Cooperation	Innovation Low Carbon Resource Efficiency	396	60	April-May 2017 (Call 5 Stage 1 Applications)	1 - £197K
Interreg North Sea Region (NSR) Transnational Cooperation	Innovation Low Carbon Climate Change Environment Sustainable Transport	157	50	July–August 2017 (Call 4 Stage 1 Applications) Jan-March 2018 (Call 5 Full Applications)	3 - £558K
Interreg 'Europe' Interregional Cooperation	Innovation SME Competitiveness Low Carbon Environment and Resource Efficiency	359	85	March-June 2017 (Call 3 Full Applications)	4 - £855K


South East LEP 'European Structural Investment Fund (ESIF) &	Innovation SME Competitiveness Low Carbon Employment Education Social Inclusion	185	50	March 2017-Jan 2018 (Stage 1 Applications : Innovation; SME Competitiveness; Low Carbon).	3 - £11.5 million
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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

- € 257 million
- Managing Authority: Nord-Pas de Calais
- 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

- €223 million
- 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

Interreg Europe Programme



www.interreg4c.eu/interreg-europe

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



www.southeastle.com