

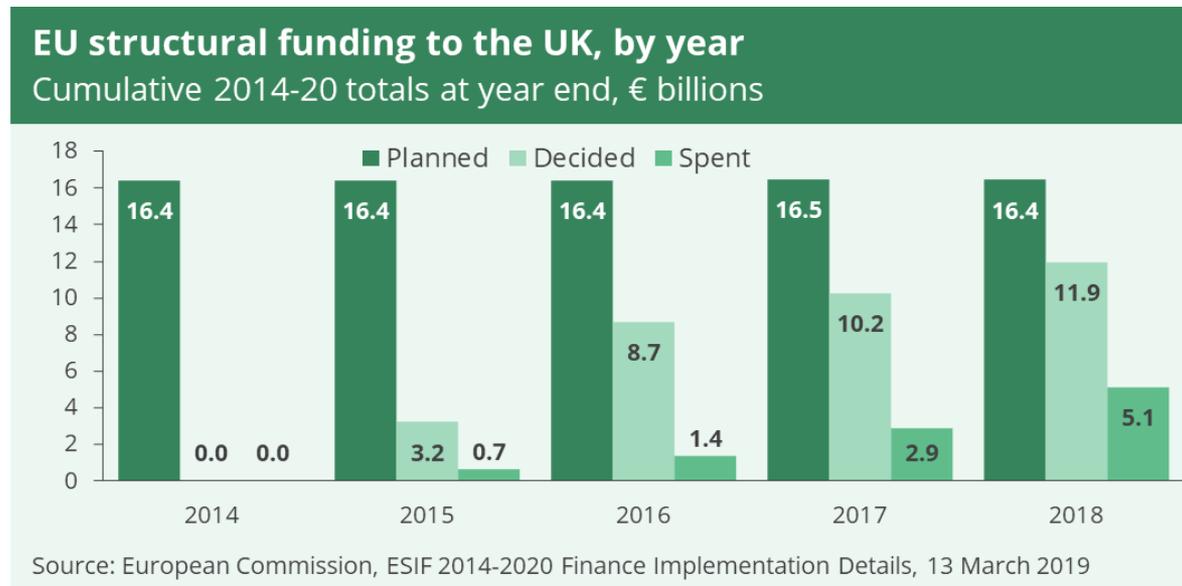
European Structural Funds - UK Shared Prosperity Fund

Coming up

- Current ESF - deal and no deal scenarios, and the implications for London
- After ESF - what we know about the UK Shared Prosperity Fund
- Designing the UKSPF - design principles and building a successor fund

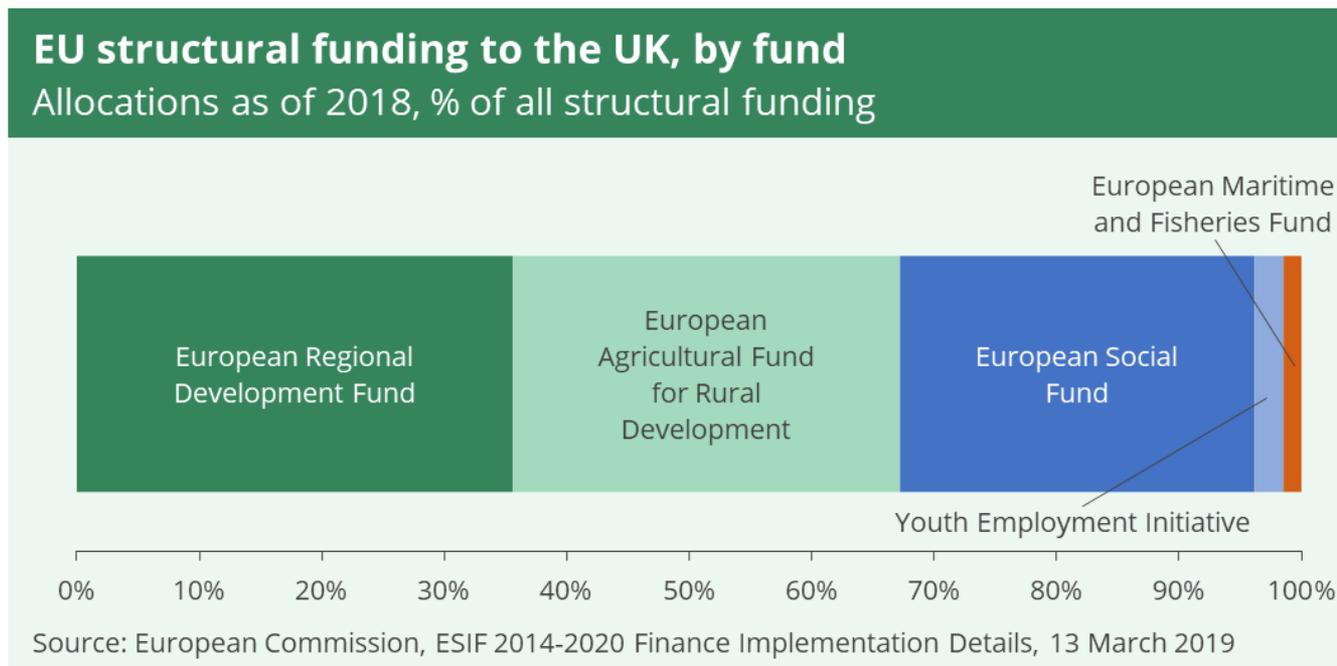
Structural & Investment Funds

After the UK leaves the European Union, it will no longer receive structural funding worth about £2.1 billion per year



Current ESI

Funding is used for boosting several aspects of economic development



Current ESI

- After the UK has left the EU, this funding will stop
- The Withdrawal Agreement currently before Parliament includes provisions to maintain the current arrangements for structural funding until the end of the transition period
- However, when this transition period ends (or if the UK leaves the EU without a deal), the funding will cease

Current ESF - security of funding

- Successful bids for ESF until end 2020 will receive full financial allocation and will continue to receive funding over the project lifetime
- Proposed (but still not official) timescales:
 - a) If we exit the EU with a deal then UKSPF will launch in 2021, fitting with the timeline for the next round of ESF (ESF funding to 2023 will be honoured)
 - b) If there is a no deal Brexit, UKSPF will launch in some form after exit, most likely rebranded with a gradual transition to new funding

Life after ESF - what next....

UK Shared Prosperity Fund

- Objective of the UKSPF - to tackle inequalities between communities by raising productivity, especially in those parts of our country whose economies are furthest behind
- UKSPF will achieve this by strengthening the foundations of productivity as set out in the Industrial Strategy to support people to benefit from economic prosperity

Life after ESF - what next....

UKSPF - issues that need to be considered:

- the priorities and objectives of the fund
- the amount of money to be allocated
- the method of allocating it between the countries and regions of the UK, and whether this is based on need (and what measure is used to determine need)
- the model by which funding will be allocated, whether pre-allocating an amount for a country or region or inviting competitive bids from across the UK

Life after ESF - what next....

UKSPF - issues that need to be considered:

- the length of the planning period and the way in which this could conflict with domestic spending priorities
- who administers the funds (whether they are controlled from Westminster or by the devolved administrations) and the degree to which local authorities are involved
- the implications of the Fund for state aid rules

Life after ESF – what next...

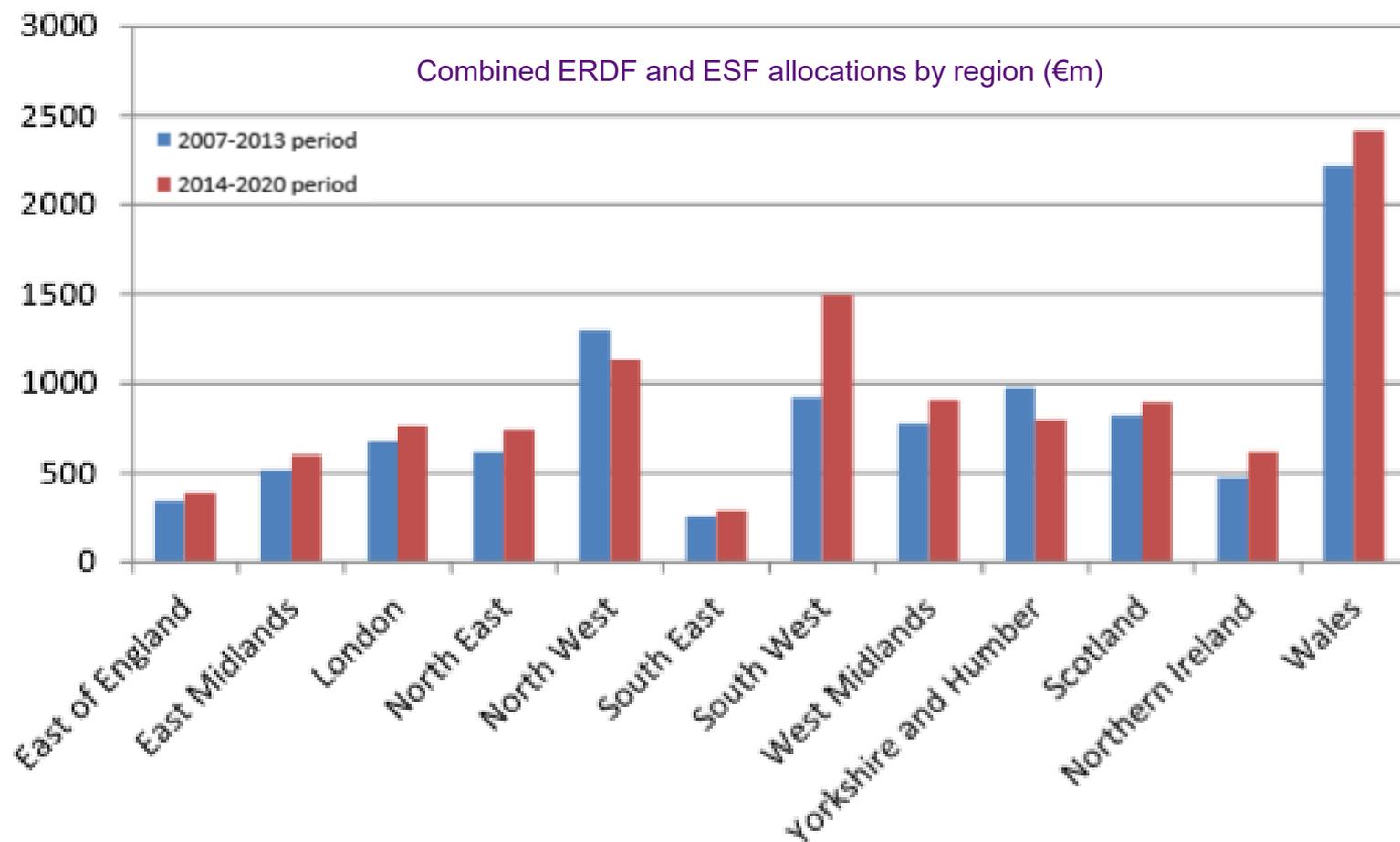
UKSPF key principles:

- A simplified, integrated fund
- UKSPF in the devolved nations
- A national framework in England that works for local priorities
- Consulting the public

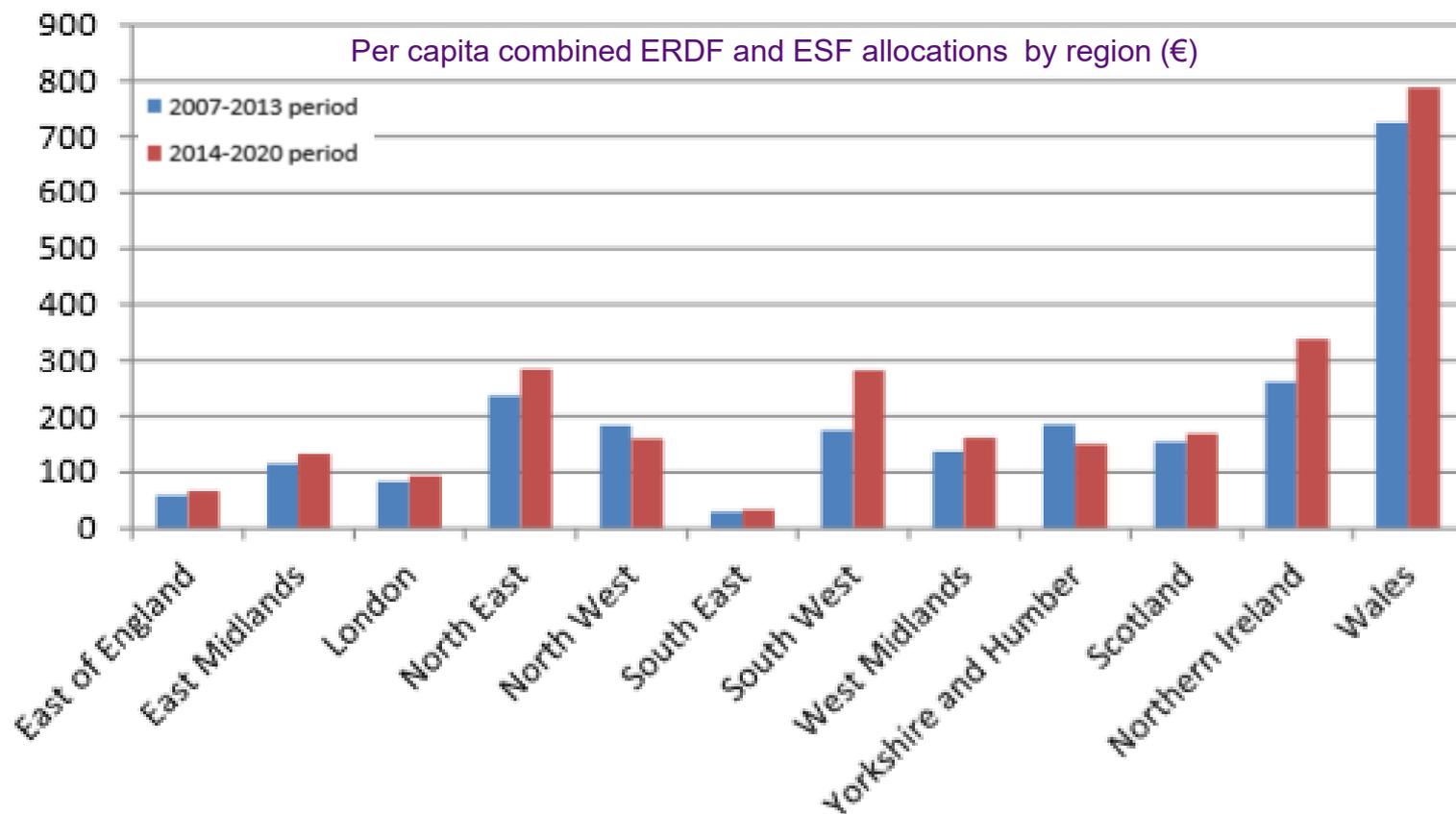
ESF in London

- Overall, London received @£422m in ESF funds for 2014-20 (total pot of €748.6 million - ESF and European Regional Development Fund)
- The London Economic Action Partnership (LEAP) has committed @£295m from ESF towards skills, employment, enterprise and youth programmes in London
- Investment of £115 million of ESF in locally co-financed or directly-funded projects, including through the GLA CFO and four London boroughs managing the London Work and Health Programme

ESF in London



ESF in London



Skills for Londoners

- Mayor and LEAP want to ensure the remaining unallocated ESF is successfully used in London
- Approximately £148 million of London's share of the England ESF programme is unallocated as yet (plus additional Youth Employment Initiative funds)
- City Hall is using some of London's devolved Adult Education Budget (AEB) to match fund ESF

London's ESF priorities

Young people

- At risk of NEET in schools, colleges, PRUs/alternative provision, particularly those who are under-achieving at GCSE or at risk of getting caught up in crime
- At risk of NEET or who are NEET with learning difficulties, disabled or with a mental health conditions
- NEET, particularly the most disadvantaged groups, e.g. looked after children, BAME, and homeless

London's ESF priorities

Adult Employment Programme

- Parents and care leavers, particularly those who are long-term unemployed or stuck in low paid/insecure work, providing support with childcare where possible
- People with SEND
- BAME groups
- People long-term unemployed (more than 12 months), economically inactive and/or cycling in and out of work
- People who face complex barriers including homeless, facing drug and/or alcohol addiction, and ex-offenders

London's ESF priorities

Adult Skills Programme

- People lacking basic English, maths and digital skills
- People without level 3 or above skills
- People who are in low-paid, low-skilled and/or insecure employment
- People who are facing redundancy or at risk of redundancy
- Older groups seeking to re-skill/up-skill to better meet the skills needs of London's economy

London and the Industrial Strategy

- Investing in science, research and innovation
- Developing skills
- Upgrading infrastructure
- Supporting businesses (start/grow)
- Improving procurement
- Encouraging trade and inward investment
- Delivering affordable energy and clean growth
- Cultivating world-leading sectors
- Driving growth across the whole country
- Creating the right institutions

London and the UKSPF

Objective of the UKSPF - to tackle inequalities between communities by raising productivity, *especially in those parts of our country whose economies are furthest behind*

“Why is the rest of the country still so much poorer than London?”

- Across England, economic output in 2017 was £1,563 billion, or £28,096 per person (GVA)
- In London, economic output per person was £48,857
- In the West Midlands it was £22,713

Work to replace ESF

Working Group formed in February 2017, led by ERSA and NCVO, includes:

- GUAC, Learning & Work Institute, Big Lottery Fund, LGA, Locality, LEPs, AELP, AoC, UK Youth, JRF, Lloyds Bank and others
- Highlighting the importance of ESF

Working Group - core messages

- Leaving the EU an opportunity to improve on ESF to reduce bureaucracy and duplication while pushing more funding to the frontline
- Successor fund should invest to tackle skills gaps and low productivity as part of the government's Industrial Strategy
- New fund should be led by partnerships developing community-driven solutions for greater social cohesion
- Re-shaping investment today to deliver savings in the long-term

Working Group - SPF Design Principles

- Ensure that it delivers interventions that reflect the link between health, wellbeing and employment services
- Ensure ease of access for providers of all sizes and sectors
- Be developed and delivered through multi-agency and multi-sectoral community partnerships (commissioned around place)
- Incorporate principles of additionality and complementarity, to ensure investment is delivering impact, not plugging provision gaps
- Foster innovation, bringing in new actors and finding new approaches to tackle entrenched problems
- Mix long term funding and short term trials, for stability and flexibility
- Involve a quicker process to identify need and allocate funds