



## Report to CYP&FS Scrutiny & Policy Development Committee 10<sup>th</sup> December 2018

**Report of:** Policy and Improvement Officer

**Subject:** EU Funding Post Brexit

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### 1. Summary:

The Committee requested a briefing paper on the future of EU funding post Brexit, with particular reference to the projects that are impacted. Information for this briefing has also been provided by Further questions on individual projects or funding streams listed can be addressed by contacting the officers directly:

Sheffield City Council Funding streams (appendix) – Mark Wassell ([mark.wassell@sheffield.gov.uk](mailto:mark.wassell@sheffield.gov.uk))

Sheffield City Region initiatives - Ben Morley ([ben.morley@sheffield.gov.uk](mailto:ben.morley@sheffield.gov.uk))

**Type of item:** The report author should tick the appropriate box

Reviewing of existing policy	
Informing the development of new policy	
Statutory consultation	
Performance / budget monitoring report	
Cabinet request for scrutiny	
Full Council request for scrutiny	
Community Assembly request for scrutiny	
Call-in of Cabinet decision	
Briefing paper for the Scrutiny Committee	<b>X</b>
Other	

## **The Scrutiny Committee is being asked to:**

The Committee is asked to note the information provided.

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**Category of Report:** OPEN

1. The attached spreadsheet (appendix) summarises SCC's latest position in terms of EU funding bids :
  - a. Approximately £8.9m of EU grant offers are currently in the process of being approved / signed off by SCC and are anticipated to go live shortly (highlighted in green)
  - b. Approximately £3.76m of SCC bids for grant funding have been submitted to the EU for consideration and which may or may not be accepted based on their ability to meet EU criteria. For these bids, which are still ongoing, the following points should also be considered:
2. Generally speaking the trend for Sheffield City Council (and other Local Authorities) is that EU funding has already been decreasing over a number of years, prior to and regardless of the EU referendum being held or the result, with the EU redirecting funds to other regions of Europe outside of South Yorkshire.
3. In addition to a reduced value of available EU funds to bid for, SCC also has had other EU funding bids that have been submitted / considered, but which do not meet EU requirements or priorities and hence are not accepted. This occurs regardless of the referendum result.
4. At other times SCC does not pursue some of the available EU funds projects as these do not meet SCC requirements or priorities, again this occurs regardless of the referendum result.
5. Most, if not all EU funding that SCC has received in recent years is time limited and for specific projects and so when each project closes and costs end so does the EU funding leaving a neutral impact on Council finances. The time limited costs and EU funding are built into EU project bids at the outset to avoid any unfunded legacy costs arising.
6. Regardless of EU funding levels, SCC's own annual funding settlements from government are the major determinant of both levels of service provision and employment levels.
7. Given all of the above factors it is difficult to measure a direct causal link between current levels of temporary / project specific EU funding and the result of the referendum.
8. In addition SCC are also noting and working to the government's current negotiating position regarding European Regional Development Funding as outlined below:

**“A negotiated exit from the EU Under The draft Withdrawal Agreement between the UK and the EU published in March 2018 would mean the UK would continue to participate in the ERDF programmes until they end in 2023, subject to a final negotiated agreement.**

**Organisations should continue delivering projects that have been agreed and applying for funding under current arrangements with confidence that the funding guarantee applies even if there is no negotiated agreement between the UK and the EU.**

**After 29 March 2019 if there is no deal**

**To provide stability for UK organisations that benefit from EU funding and to provide certainty for organisations who wish to apply for funding, the Government has guaranteed all ERDF projects that would have been funded by the EU for the full 2014-20 programme period.”**

9. Finally, it is worth noting that SCC also receives some grants from funders who themselves receive money from EU sources, so from SCC’s point of view these grants are not classed as EU grants in our accounts but rather as grants to a funder of SCC (e.g. Home Office) with SCC then recording this money as Home Office funding. Grants in this category (primarily Gateway Refugee grants) total around £288k per annum and are subject to the same government guarantees as described above.
10. The following is a list of current projects across the whole of the Sheffield City Region:

#### **ERDF**

Approved schemes with some/all spending post Brexit:

- Social Enterprise Exchange
- Sheffield Innovation Project (SIP)
- iCAIR – integrated Civil And Infrastructure Research
- National Centre of Excellence for Food & Engineering (NCEFE)
- Growth Hub Enhancement Project

Schemes progressing to contract (with detailed and/or outline approval) with post Brexit spending:

- Northfields, Forge Way, Rotherham
- SCR Virtual Incubation and Accelerator Network
- Phase 5 Development
- Launchpad
- RISE Enhancement
- Sheffield Innovation Programme Continuation
- Social Enterprise Exchange 2
- Rotherham Renaissance Flood Alleviation Scheme – Phase 2A
- Translational Energy Research Centre (Building): (TERC – building)
- Castlegate Grey to Green Phase 2 (PA4)

- Castlegate Grey to Green Phase 2 (PA5)

## **ESF**

Approved schemes with some/all spending post Brexit:

- Building Better Opportunities - Sheffield
- SCR Skills for Jobs Growth
- SCR Skills for Growth

Schemes progressing to contract (with detailed and/or outline approval) with post Brexit spending:

- Pathways to success
- Ambition
- Improve your Future Prospects
- Early Integrated Support Pilot
- Business Education Alliance
- Sheffield City Region Skills Hub

## **2. Recommendation**

The Committee is asked to note the information provided.