



European Union

European Structural
and Investment Funds

**European Structural and Investment
Funds
2014 - 2020**

Growth Programme for England

**D2N2 LEP Area
ESI Funds Sub-Committee
Tuesday 9th July 2019
1pm – 3pm**

**Venue: RAD building, University of Nottingham, Jubilee Campus,
Triumph Road, Nottingham, NG8 1BB**

Item	Description
1	Welcome and Apologies Minutes of last meeting (14 th May 2019)
2	Actions from last meeting Written procedures
3	Membership
4	Management Information Reports a) EAFRD b) ERDF c) ESF
5	Future ESF Calls (paper)
6	ERDF Project Extension: D2EE known as DE-Carbonise D2N2
7	ERDF Project Extension: Environmental Technology Centre 6 known as Energy Innovation and Collaboration – Energy for Business
8	ERDF Project Presentation: Enabling Innovation
9	Any Other Business

Item 1. Welcome and Apologies, Minutes of last meeting (14th May 2019)

1.1 Welcome and Apologies

The Chair welcomed the following new members who were attending the ESIF Sub Committee for the first time:

Name	Organisation
Emma Rigler	Laing O'Rourke
Viv Russell	Longcliffe Group
Jayne Mayled	True Story UK

The following apologies were noted:

Name	Organisation	Deputised by
Alan Smith	Derby City Council	
Nicola McCoy-Brown	Nottinghamshire County Council	Geoff George

Tim George	ESF MA	
Cllr Tony King	Derbyshire County Council	Cllr Garry Hickton
Rob Johnston	TUC Midlands	
Cllr David Mellen	Nottingham City Council	Cllr Neghat Khan
Cllr Martin Thacker	NE Derbyshire District Council	
Paul Harris	PHI Advisory	
Bev Parker	Rural Action Derbyshire	
Matthew Easter	Sustrans	

The Chair (Elizabeth Fagan) asked for confirmation that the minutes of the last meeting were accurate. The minutes were agreed to be accurate and were therefore approved as an accurate record of the meeting.

Item 2. Actions from last meeting

2.1 Actions from the meeting 14th May 2019

Progress of actions:

Agenda Item from 14th May 2019 meeting	Action identified from 14th May 2019 meeting	Action update at 9th July 2019 meeting
4b	Send an e-mail to members to request conflicts of interest/no conflict in respect of the forthcoming written procedure for the ESF Appraisals.	Actioned; written procedure request sent on 5 th July 2019 with a response deadline of 12 th July 2019.
4b	Correction required for delivery partner Nottinghamshire County Council (previously "Nottingham County Council") in the ESF Update paper.	Actioned; amended document sent to members on 22 nd May 2019.
9	D2N2 LEP structure to be circulated to ESIF sub-committee members.	Actioned; D2N2 LEP structure was e-mailed to all members on 9 th July 2019 and given to attendees of meeting (same day).
9	MHCLG to review D2N2 LEP ESIF sub-committee members listing.	Discussed at Item 3.

2.2 Written Procedures update

Anna Vinsen (AV) reported that there was one ESF item regarding conflicts of interest sent to members via written procedures on 5th July 2019 with a deadline for responses set for 12th July 2019.

2.3 Declarations of Interest

Declarations of interest were taken at each item as it was discussed on the agenda and collated in the table below:

Agenda Item No	Agenda Item	Members declaring Interest
2	Actions from last meeting Written procedures	N/A – Information only
3	Membership	N/A – Information only
4	Management Information Reports a) EAFRD b) ERDF c) ESF	N/A – Information only
5	Future ESF Calls (paper)	Jem Woolley – Nottingham City Council Cllr Garry Hickton – Derbyshire County Council Frank Horsley – Derbyshire County Council Cllr Neghat Khan – Nottingham City Council Nicki Jenkins – Nottingham City Council James Whybrow – Nottingham College Professor Warren Manning – University of Derby Geoff George – Nottinghamshire County Council Cllr Reg Adair – Nottinghamshire County Council Matt Wheatley – D2N2 LEP Richard Kirkland – D2N2 LEP Diane Beresford – East Midlands Chamber Rachel Quinn – D2N2 LEP
6	ERDF Project Extension: D2EE known as DE- Carbonise D2N2	Professor Warren Manning – University of Derby Cllr Garry Hickton – Derbyshire County Council Frank Horsley – Derbyshire County Council
7	ERDF Project Extension: Environmental Technology Centre 6 known as Energy Innovation and Collaboration – Energy for Business	None
8	ERDF Project Presentation: Enabling Innovation	N/A – Information only
9	Any Other Business	None

Item 3. Membership

AV confirmed that the D2N2 ESIF sub-committee have refreshed their membership to reflect the changes to the LEP Board and the results of the local elections. AV welcomed new members as listed in Item 1.1. It was noted that the MA were waiting for Nottingham City Council to confirm their new representative for the sub-committee, and Cllr Neghat Khan was attending as a representative. AV noted that all new members were welcome to attend an induction if required.

AV reported that the MA were sending out letters to the following people who were leaving the sub-committee to thank them for their contribution:

Name	Organisation
Jon Collins	Nottingham City Council
Cllr Tony Ashton	Derbyshire District Council
David Williams	Butt Foods
Peter Gadsby	Ark Capital

It was noted that Peter Gadsby was thanked at the D2N2 LEP board meeting earlier that day for his contribution to date.

Item 4. Management Information Reports

4a) EAFRD – Chris Franklin, Rural Payments Agency

Chris Franklin (CF) presented an update on EAFRD as follows:

In the D2N2 LEP area 19 Full Applications have been received to date with a grant request of £2.37m. 11 projects have been approved and contracted with a total grant value of £1.3m.

CF reported that the Rural Payments Agency deal directly with individual businesses rather than organisations who offer programmes of support. Expenditure was reported in two parts; Growth Programme Round 1 which was closed some time ago, and leftover funds were rolled in to Growth Programme Round 2. He outlined that drop-out rates are quite high and this is considered a national trend due to the first stage of the application process being easy/ 'light touch' at initial stage. He noted that many businesses drop out after undertaking further research and/or lack of funds/planning permission when they determine their proposed project is not viable. CF noted that this is a typical pattern across the EAFRD growth programme nationally, not just in the D2N2 area, and the sub-committee members should not be alarmed at these figures. CF commented that previous discussions have taken place regarding drop-out rates and further information can be found in minutes from previous D2N2 meetings.

CF detailed that with the current round of calls there are 19 projects which have yet to submit their Full Applications which came in as Expressions of Interest totalling £5.5m which was considered a sizable amount. The EAFRD MA aim to receive applications by the end of September 2019 but are willing to talk to projects about later submission. The Expression of Interest closed 31st May 2018 and invites were sent to successful applicants in August 2018; therefore, projects have had at least 10 months (and some considerably longer) to submit their Full Application. Sub-committee members were reminded that RPA is actively engaging with applicants to get applicants to submit their Full Applications.

There was a meeting in May with representatives from the LEPs participating in the programme. It was reported that these operational meetings take place on a regular 4 – 6 month basis with LEP representatives. CF reported that there were plans to put all remaining unallocated EAFRD growth funds into a National Reserve Fund (NRF) and CF clarified that all LEP areas would be able to take part in the National Call. RPA plan to launch round 3 of the EAFRD Growth Programme from this NRF in September 2019. Following the May meeting, it was reported that there was a positive response to this plan with support from D2N2 LEP and most other LEP areas.

Sub-committee members commented that the EAFRD report was unclear on which applications were being taken forward and which had still to submit – there was particular interest in the Nottinghamshire area. CF confirmed that due to current interpretation of GDPR legislation, the EAFRD MA were unable to disclose information about individual applications due to potentially severe financial penalties. CF confirmed that they were looking to make changes to the application declaration for the National Calls that would be GDPR compliant. This would enable RPA to provide more detail about applications received through these call rounds.

CF noted that full application invitation letters included advice to applicants to contact the D2N2 Growth Hub to help them develop their bids, as previously advised by the ESIF sub-committee.

4b) ERDF – Anna Vinsen, ERDF Managing Authority

AV reported that as agreed at the last meeting, the priority axis allocations had been updated to reflect the exchange of £3.3m Priority Axis 4 Low Carbon funds, for £3.3m of Priority Axis 1 from SELEP – increasing the budget for innovation activity. There was also a transfer of the performance reserve from PA5 (Climate change adaptation) and PA6 (environmental protection) totalling £670k to Priority Axis 3 (support for small and medium sized enterprises.)

AV confirmed that the outputs had also been modified proportionately to reflect the transfer of funding. The paper provides the updated financial and output allocations. The balance of funding available within the D2N2 allocation (outside of SUD) is £5.3m, equating to 5% of the allocation. This had been issued out in calls for new projects under Priority Axis 1 to 4. The calls launched at the end of June 2019 are open until the end of September 2019. The MA anticipates that strategic advice will be sought on these projects at the November meeting. Following this, any funding remaining will be moved to the national reserve fund and be issued through national level calls.

Members were reminded that there was insufficient funding to support all the projects that came forward under the last PA1 call, and funding had to be prioritised against the projects deemed to offer the greatest strategic fit. Through the transfer of funding with SELEP, it was reported that there is £3.3m available under PA1; all of this had been issued through the June call, and projects which were deemed to offer a lower strategic fit through the last call were invited to reapply. In addition, feedback meetings will be scheduled with these applicants to help them improve the strategic fit. This approach was supported by ESIF Sub-committee members.

It was reported that 11 full stage bids were received at the end of May 2019; these came from the projects selected through the last round. Appraisals will be progressed through the summer. To date £77.2m total eligible expenditure had been claimed by D2N2 projects, including 50% match funding. In aggregate, projects are performing well against contract, but where individual performance issues arise, these are being addressed directly with grant recipients.

Jem Woolley (JW) provided an update for SUD as follows:

There are 2 full applications under appraisal and 2 further outline applications which were to be discussed at the SUD meeting later that day. He noted that the SUD allocation is separate from the rest of D2N2 allocation but that they wished to work with the sub-committee to utilise funds in the best way so that funds were not left in certain parts of the programme.

4c) ESF – Anna Vinsen on behalf of Tim George, ESF Managing Authority

AV provided an update on ESF as follows:

DWP expects to achieve the N+3 spend target for 2019 by Q3 2019. A call timetable is currently in place, taking them to the end of December 2019. Future calls for the D2N2 area would be covered under the next item by Richard Kirkland (RK). All applications for ESF must now be made using the E-claims online system, whereas ERDF will continue to use word documents.

DWP reported that the 2018 Performance Framework output and spend targets were met, meaning the 6% performance reserve can be drawn down. 64.5% of the programme allocation is committed. The paper provided an update on the delivery of the opt in programmes, which includes monthly performance monitoring meetings.

The Growth Programme Board have agreed arrangements for the ESF Reserve fund through which any remaining funds will be allocated next year. DWP would be using the written procedure to seek strategic advice from non-conflicted sub-committee members on the current ESF Full applications.

There are currently five live ESF Calls and RK will discuss the new ones he is working on.

Item 5. Future ESF Calls (paper)

Richard Kirkland (RK) reported that as per agreement at the ESIF sub-committee held on 14th May 2019, DWP have scheduled ESF calls around inclusion and skills. RK noted that the purpose of the strategic overviews is to get approval from the ESIF sub-committee that the programmes to be procured meet LEP priorities and ESF Organisational Programme requirements. They also allow LEP officers to promote with potential applicant organisations before DWP formally launch the calls.

There was discussion regarding whether the strategic overviews went to the People and Skills Board for advice; RK confirmed due to time deadlines it didn't go to the People and Skills Board but the call schedule has been agreed by ESIF the sub-committee. Rachel Quinn stated that the People and Skills Board had only met twice and had been focussing on developing high-level priorities but RQ agreed that the future call schedule and details would go to the next meeting.

Sub-committee members stated that strategic overviews needed to be clear on broad strategic objectives which aligned to the LEP priorities and the ESF Operational Programme requirements.

RK stated that these were the last 5 strategic overviews and calls to be agreed; the rest were in the pipeline and call documents had already been sent to DWP. Members were informed that if calls came through quickly it could overload the training supply landscape and potential applicants' ability to bring forward the £26m required to match all the calls.

RK stated that D2N2 are looking at strategic overview for Priority Axis 1.2, which is a small programme to provide wellbeing support for young people who are not in employment, education or training (NEET) or are at risk of being NEET.

There was a discussion regarding the age range for individuals aged only 16-24 years old, as people with certain conditions can be in education up to 30. It was felt that the 25-30 age range was being

excluded. RK stated that for Investment Priority 1.2 the eligibility criteria are 15 to 24 year olds. YEI was mentioned as an example of another ESF funding stream which supports individuals up to the age of 29. It was agreed that DWP would be asked to confirm whether there could be any flexibility on the definition to extend coverage up to 30 for certain qualifying individuals.

Sub-committee members advised the calls could go forward.

Action: Matt Wheatley to ask DWP if there is any flexibility to support NEET individuals aged up to 30.

Item 6. ERDF Project Extension: D2EE known as DE-Carbonise D2N2

Eimear Scullin (ES) presented the project extension paper seeking sub-committee advice for D2EE known as DE-Carbonise D2N2. Sub-committee advice details can be found in Annex 01.

Item 7. ERDF Project Extension: Environmental Technology Centre 6 known as Energy Innovation and Collaboration – Energy for Business

AV presented the project extension paper seeking sub-committee advice for Environmental Technology Centre 6 known as Energy Innovation and Collaboration – Energy for Business. Sub-committee advice details can be found in Annex 01.

Item 8. ERDF Project Presentation: Enabling Innovation

Professor Warren Manning (PWM) presented an overview of ERDF project Enabling Innovation. Presentation notes are attached separately.

There was discussion following the presentation regarding lessons learnt, the measure of productivity and the benefit of spending funds in the innovation sector.

Item 9. Any Other Business

None.

Appendix A - Actions of the Meeting

Agenda Item	Action	Action assigned to
5	Query with DWP if there is any flexibility to support NEET individuals aged up to 30.	MWh
7	Provide case studies from University of Nottingham ETC 6 project to show good practice.	AV

Appendix B Attendee List

Chair and Deputy Chair attending:

Name, title and organisation	Sector/Organisation Representing
Elizabeth Fagan (EF)	D2N2 LEP
Anna Vinsen (AV)	Managing Authority ERDF (MHCLG)

Sub-Committee Members attending:

Name, title and organisation	Sector/Organisation Representing
Matt Wheatley (MW)	D2N2 LEP
Professor Warren Manning (PWM)	HE Representative (University of Derby)
Jane Howson (JH)	VCSE Representative (Autism East Midlands)
Cllr Garry Hickton (Cllr GH)	Derbyshire County Council
James Whybrow (JWh)	FE Representative (Nottingham College)
Cllr Reg Adair (Cllr RA)	Nottinghamshire County Council
Emma Rigler (ER)	Private Sector (Laing O'Rourke)
Viv Russell (VR)	Private Sector (Longcliffe Group)
Jayne Mayled (JM)	Private Sector (True Story UK)
Chris Franklin (CF)	EAFRD (Rural Payments Agency)

Others in attendance (non-members - including secretariat):

Name, title and organisation	Sector/Organisation Representing
Eimear Scullin (ES)	MHCLG
Dawn O'Brien (DOB)	MHCLG
Jack McKeown (JMK)	MHCLG
Jem Woolley (JW)	Greater Nottingham SUD
Richard Kirkland (RK)	D2N2 LEP
Rachel Quinn (RQ)	D2N2 LEP
Frank Horsley (FH)	Derbyshire County Council
Geoff George (GG)	Nottinghamshire County Council

Cllr Neghat Khan (Cllr NK)	Nottingham City Council
Diane Beresford (DB)	East Midlands Chamber
Nicki Jenkins (NJ)	Nottingham City Council

Apologies:

Name, title and organisation	Sector/Organisation Representing
Alan Smith (AS)	Derby City Council
Nicola McCoy-Brown (NMB)	Nottinghamshire County Council
Tim George (TGeo)	Managing Authority ESF (DWP)
Cllr Tony King (Cllr TK)	Derbyshire County Council
Rob Johnston	TUC Midlands
Cllr David Mellen	Nottingham City Council
Cllr Martin Thacker	NE Derbyshire District Council
Paul Harris	PHI Advisory
Bev Parker (BP)	Rural Reference Group
Matthew Easter (ME)	Sustrans

Next Meeting

The next meeting is scheduled on Tuesday 24th September 2019.

Annex 01: Project Change Requests

Project Name: D2EE known as DE-Carbonise D2N2	Applicant: University of Derby
Programme Priority Axis: 4	Investment Priority: 4b and 4f
Existing Project Value (D2N2): £3.81m	Existing ERDF Value (D2N2): £1.90m
Proposed Project Value (D2N2): £8.98m	Proposed ERDF Value (D2N2): £4.49m
<p>Summary of Discussion</p> <p>Sub-committee members were asked to note that there were five changes since outline application:</p> <ul style="list-style-type: none"> - 1% reduction of ERDF from £2.61m to £2.59m. - Reduction of C1 outputs from 255 to 117. - Increase to C34 outputs from 846 to 2401. - Removal of C29 outputs in second phase. - An increase to the SME match (from 55% to 60%) and public match-funding from Derby City and Derbyshire County Councils reduced. <p>It was reported that overall, project performance is in line with the contract in terms of spend and outputs, with over-performance on some targets and slight underachievement on others.</p>	
<p>Advice of the sub-committee</p> <p>Sub-committee members recommended that the project proceed to a Funding Agreement Variation to extend Phase 1 with no further conditions.</p>	
<p>Additional conditions suggested</p> <p>None</p>	

Project Name: Environmental Technology Centre 6 known as Energy Innovation and Collaboration – Energy for Business	Applicant: University of Nottingham
Programme Priority Axis: PA4	Investment Priority: 4b and 4f
Existing Project Value (D2N2): £3.17m	Existing ERDF Value (D2N2): £1.59m
Proposed Project Value (D2N2): £7.19m	Proposed ERDF Value (D2N2): £3.60m
<p>Summary of Discussion</p> <p>Sub-committee members were informed that the first phase of the project had a slow start while staff were on-boarding; the increase in funding for the second phase is justified as staff will be in place to deliver the project at pace from the start.</p> <p>It was reported that project is performing well despite a slow start; outputs and expenditure are aligned with the contracted profile.</p>	

Members queried whether students would stay once they finish their placements on the project; AV confirmed that the purpose of the project is to support businesses that will use the skills of students/graduates. AV also clarified that there are a range of business interventions on offer including grants, business support and use of facilities.

Sub-committee members asked if a summative assessment had taken place; AV confirmed that this project is an extension and that extensions don't always have to do a full summative assessment.

It was raised that University of Nottingham and University of Derby are delivering similar programmes and going forward it would be better if they agreed to work together on a joint carbon reduction scheme for the whole of D2N2. Members requested case studies showing good practice; AV reported that the MA can provide this as feedback and ask for case studies.

There was a discussion on whether or not the project could support businesses from outside the D2N2 area. The sub-committee were clear that the project should only support businesses in D2N2.

Action: AV to provide case studies showing impact of the phase 1 project.

Advice of the sub-committee

Sub-committee members recommended that the project proceed to a Funding Agreement Variation to extend Phase 1 with below conditions.

Additional conditions suggested

1.The project shall only support businesses within the D2N2 area.