



European Union

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

Growth Programme for England

**D2N2 LEP Area
ESI Funds Sub-Committee
Thursday 14th February 2019
2:15pm – 5:15pm**

Venue: Torvill Room, Apex Court, City Link, Nottingham, NG2 4LA

Item	Description
1	Apologies, Minutes of last meeting (30 th November 2018)
2	Declarations of Interest
3	Written Procedures update
4	Management Information Reports a) EAFRD b) ERDF c) ESF
5	ESF: Opt In performance data
6	ESF: Future Calls
7	ERDF Outline Assessments See paper for list of assessments
8	ERDF Project Change Request Extension Internationalising SMEs
9	ERDF Project Change Request Extension: <ul style="list-style-type: none">• Growing Enterprise
10	ERDF Full Appraisal <ul style="list-style-type: none">• PA3 D2N2 Growth and Innovation Programme Phase 2
11	ERDF Full Appraisal: <ul style="list-style-type: none">• PA1 Productivity through Innovation
12	ERDF Full Appraisal <ul style="list-style-type: none">• PA3 Encsite 3
13	SUD Update
14	Any other business

Item 1. Apologies, Minutes of last meeting (30th November 2018)

1.1 Apologies

The following apologies were noted:

Name	Organisation	Deputised by
Diane Beresford	East Midlands Chamber	
James Whybrow	FE Representative	
Cllr Chris Poulter	Derby City Council	
Nicki Jenkins	Nottingham City Council	Robert Dixon
Cllr Jon Collins	Nottingham City Council	

1.2 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.

1.3 Matters arising

There were no matters arising.

1.4 Actions from the meeting 30th November 2018

Progress of actions:

Agenda Item from 30 th November 2018 meeting	Action identified from 30 th November 2018 meeting	Action update at 14 th February 2019 meeting
1.4 (3a)	To review future meeting schedules with LEP representatives with the possibility of decoupling LEP Board and this ESIF sub-committee.	This meeting aligned for ERDF business – other meetings will follow LEP Board Meetings – the schedule is on the bottom of the agenda and we will send out meeting notifications
1.4	The sub-committee to utilise the strategic review group to provide advice for written procedures in relation to changes from Outline to Full application re strategic fit and vfm.	On-going.
2	Members and alternates who have not completed declaration of interest forms to forward completed forms to Yvonne.Dickinson@communities.gov.uk and Eimear.Scullin@communities.gov.uk	On-going. Forms now to go to Dawn.LouiseOBrien@communities.gov.uk
4a	To gain advice from DEFRA and advise the sub-committee if the LEADER programme was to be reactivated; and whether funding can be moved between calls to better	Covered at item 4a on this agenda

	reflect the value of applications selected.	
4b	The ESF Managing Authority assessment of ESFA PCR's should gain advice from the sub-committee either as an agenda item on a future meeting or as written procedures.	These were sent out as written procedure and were agreed
4b	The LEP to circulate the quarterly performance reports they receive on Opt Ins to ESIF Sub-committee members from now on.	Quarterly reports were circulated with today's papers and are covered at item 5 of this agenda
5	To circulate written procedure re the extension of the BLF Opt-in BBO programmes to include advice to sub-committee members regarding value for money and consequences of supporting or not supporting recommendations – Decisions to be submitted to BLF by end of December 2018.	This went out by written procedure and was agreed.
6	To seek business case from DTS Learndirect up to a ceiling of £278k with emphasis on progression to be circulated for member comments.	DTS/Learn Direct are not now requesting growth on this contract and therefore haven't supplied ESFA with a business case
7	To agree schedule of meetings with the LEP for 2019 and circulate to members.	As noted above

Item 2 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
Item 3	Written Procedures update	None
Item 4	Management Information Reports a) EAFRD b) ERDF c) ESF	None

Item 5	ESF: Opt In performance data	None
Item 6	ESF: Future Calls	Robert Dixon – Nottingham City Council
Item 7	7.1a Driving Research and Innovation	None
Item 7	7.1b Aerospace Unlocking Potential – D2N2	Alan Smith- Derby City Council
Item 7	7.1c D2N2 Design Innovation for SME's	None
Item 7	7.2a Digital Upscaler	Matt Wheatley – D2N2 LEP Richard Kirkland – D2N2 LEP Rachel Quinn – D2N2 LEP Elizabeth Fagan – D2N2 LEP
Item 7	7.3a Invest in D2N2	Robert Dixon – Nottingham City Council Alan Smith – Derby City Council Professor Warren Manning – University of Derby Matt Wheatley – D2N2 LEP Richard Kirkland – D2N2 LEP Rachel Quinn – D2N2 LEP Cllr Garry Hickton – Derbyshire County Council
Item 7	7.3b The Big House	Professor Warren Manning – University of Derby Robert Dixon – Nottingham City Council
Item 7	7.3c Supply Chain Improvement Network (SCINet)	None
Item 7	7.3d Delivering a World Class Visitor Economy within Derbyshire (Phase 2)	Matt Wheatley – D2N2 LEP Richard Kirkland – D2N2 LEP Rachel Quinn – D2N2 LEP Cllr Garry Hickton – Derbyshire County Council Alan Smith - Derby City Council
Item 7	7.4a DE-carbonise D2N2	Professor Warren Manning – University of Derby Cllr Garry Hickton – Derbyshire County Council Alan Smith - Derby City Council
Item 7	7.4b Energy Innovation and Collaboration – Energy for Business	None
Item 7	7.4c SUNRISE – Storage Utilising Network of Rooftop Integrated Solar Energy systems	Robert Dixon – Nottingham City Council
Item 7	7.5a Project MUNIO 11 – a Derwent Parade	Alan Smith – Derby City Council

Item 7	7.6a Derby-Nottingham Metro Area Biodiversity Action: Phase 2	Alan Smith - Derby City Council Robert Dixon - Nottingham City Council
Item 8	ERDF Project Change Request Extension Internationalising SMEs	Matt Wheatley – D2N2 LEP Richard Kirkland – D2N2 LEP Rachel Quinn – D2N2 LEP
Item 9	ERDF Project Change Request Extension: <ul style="list-style-type: none"> • Growing Enterprise 	None
Item 10	ERDF Full Appraisal <ul style="list-style-type: none"> • PA3 D2N2 Growth and Innovation Programme Phase 2 	Professor Warren Manning – University of Derby Alan Smith - Derby City Council Matt Wheatley – D2N2 LEP Richard Kirkland – D2N2 LEP Rachel Quinn – D2N2 LEP
Item 11	ERDF Full Appraisal: <ul style="list-style-type: none"> • PA1 Productivity through Innovation 	Professor Warren Manning – University of Derby
Item 12	ERDF Full Appraisal <ul style="list-style-type: none"> • PA3 Encsite 3 	Professor Warren Manning – University of Derby Alan Smith - Derby City Council
Item 13	SUD Update	Elizabeth Fagan – D2N2 LEP
Item 14	Any other business	N/A

Item 3. Written Procedures update

Anna Vinsen reported that, since the last ESIF sub-committee meeting, there were six written procedures for ESF and Tim George (TGeo) would provide an update on this in his report under Item 4. There were no written procedures for ERDF or EAFRD.

Item 4. Management Information Reports

4 a) EAFRD – Chris Franklin, EAFRD Managing Authority

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

In the D2N2 LEP area 17 Full Applications have been received to date with a grant request of £1.9m. Nine projects have been approved and contracted with a total grant value of £938,601. An application with a grant request of £55,551 under the Tourism theme is currently in appraisal.

It was reported that there is a strong pipeline of applications still to be received over the coming months and that RPA colleagues are working to support applicants to prepare and submit these. CF noted that a high level of drop-out from projects following expression of interest is expected as the Expression of Interest process has been kept as simple and possible and applicants are not expected to go into depth

on what the project will achieve, and resources required at outline stage. The current drop-out rate for D2N2 is 53% and CF said that this was in line with the 25 – 50% drop-out rate that was as expected from EAFRD applications.

The Chair queried if the ESIF sub-committee can do anything to reduce drop-out rates. CF clarified that the MA go out to applicants and provide them with support and workshops to help them complete applications in addition to providing a project sponsor who will answer queries.

Sub-committee members noted that the EAFRD calls were now closed.

The Chair asked if any analysis had been undertaken on the reasons why applicants were dropping out. CF reported that no comprehensive analysis had been undertaken, and that applicants didn't always notify the RPA as to the reason why they had withdrawn from the process. However, the 53% was similar to the level of drop out on previous programmes. He reminded members that whereas ERDF and ESF projects are delivered by intermediary bodies, the RPA deal with applications directly from businesses. Many of the Expressions of Interest received a little more than the germ of a business idea. He said that reasons for drop out included the reality of applicants that when investigated further they simply did not want to pursue the business idea. Further some applicants were not able to secure planning permission or private match funding from banks for their project when these are investigated.

In response to a request from the Chair, CF agreed to undertake some analysis of drop out reasons.

CF clarified that the pipeline spend of £7m included live expressions of interest plus applications in the system. There was concern from members that there could be risk of underspending on the D2N2 allocation given the drop-out rate. It was noted that RPA were in discussion with Defra MA regarding potential underspend, and no decisions had yet been made, however RPA do not anticipate any new calls being opened at local or national level. CF confirmed that funding at the D2N2 level could be moved between the calls to match the level of successful applications under each call to maximise commitment levels.

Committee members asked about moving money to LEADER groups. CF noted that many LEADER groups are nearing the end of their delivery phase and either have or will be moving people out of delivery activity. As a result, this is unlikely to be a workable solution.

Action: CF to provide an analysis of the reasons why projects are dropping out

It is noted that CF left the meeting at this point.

4 b) ERDF – Anna Vinsen, ERDF Managing Authority

AV provided an update on ERDF as follows:

D2N2 met its N+3 spend target and has met all 2018 performance framework targets, with the exception of PA4 spend, PA5 spend, and PA6 spend.

Up until the end of Q3 2018, £61.5m had been claimed against a profile of £68.4m which represents a low slippage rate of 6.7% which is within allowable thresholds. Outputs are ahead of contracted profiles across all priority axes.

The sub-committee asked if another ERDF project could be invited to a future meeting to talk about the impact of their work.

Action: AV to invite an ERDF project to a future meeting

4 c) ESF – Tim George, ESF Managing Authority

TGeo, DWP, presented an update paper for ESF as follows:

Big Lottery Fund has written to LEP areas inviting expressions of interest to extend their current BBO contracts, once all LEP areas have responded, financial details have been worked through and signed off by BLF's own internal panel Project Change Requests (PCRs) will be submitted to the MA in March. Following MA assessment these will need to be considered by the ESIF sub-committee.

ESFA launched their second phase offer as planned, beginning procurement in August 2018 with PCRs being received by the MA at the end of October. This will extend existing Memorandum of Understandings. It was noted that the MI data was out of date as it does not reflect new figures.

It was reported that DWP CFO has confirmed that an extension cannot be offered to the current provider as this would not meet the procurement parameters in the original tender. As a result, referrals have stopped but the provider will continue to work with participants currently on the project to support outcomes. The Managing Authority is working with DWP CFO to quantify the funds that will be returned.

TGeo reported that there are currently five applications in appraisal in the D2N2 area. He apologised for the delay on the appraisals, reporting the departure of two staff from the appraisal team and said he will be able to provide more information at the next meeting. He noted that the Deputy Director was having fortnightly telephone conference with the Head of the Appraisal Team to monitor progress. Sub-committee members expressed concern that projects may run at risk due to timings which impact retention of staff and create issues.

There were also concerns regarding poor performance against the targets relating to people who are most disadvantaged including disabled people and single-parent families. TGeo detailed that this was a widespread picture across the country that most projects are struggling to access these participants; research is ongoing to address the imbalance.

There was concern from the sub-committee that projects were not meeting targets due to inflated figures on applications in order to obtain funding. TGeo stated that extensions would not be offered if outputs aren't being met to the required standard and there is the option of either withdrawing funding sooner or giving projects further opportunity to deliver.

Sub-committee members suggested asking projects to justify their current performance and also encouraged DWP to allocate additional resource to appraisal processes as funding may not be available in time.

Rachel Quinn reported that there has been a relaxation in the eligibility rules relating to ESF Technical Assistance which means that the team could support projects in delivery for the first time.

TGeo noted that the MA would like to launch a call for Technical Assistance in D2N2 as there is currently no ESF TA with the aim to reduce the appraisal timeline. The call window will be open from 18th March 2019 for four weeks.

Item 5. ESF: Opt-in performance data

Richard Kirkland (RK) presented performance data (referring to December 2018) relating to delivery under the ESFA opt-in arrangements. It was noted that contracts will end in March 2019 but there were

no issues regarding participants. RK explained the need to pressurise providers to ensure progression targets are met.

For investment priority 1.1 'Access to employment for jobseekers/the inactive', it was noted that people were continuing to be brought in but there is a variance on spend and this would be corrected when people were moved into employment.

For investment priority 1.2 'Sustainable integration of young people', RK noted a variance on spend and it was noted that progression was expected for education and employment.

RK reported that for investment priority 2.1 'enhancing equal access to lifelong learning' participant figures were down by 9%, however these figures are two months out of date. Spend was 1% down. With regards to SME skills development, there was demand for regulated learning rather than non-regulated learning. As regulated learning is more expensive than non-regulated this explained why the spend figure was higher than outputs.

Sub-committee members noted that any underspend at the end of March would be reinvested.

Item 6. ESF: Future Calls

RK presented a paper seeking sub-committee members advice regarding the ESF future calls schedule. This was following a request from DWP asking D2N2 LEP to set out the LEP area's future plans to commit their remaining ESF allocation. It was reported that there is funding available within the programme to address issues around social inclusion, prosperity and productivity. The calls will be open for applicants who must provide 50% match funding.

RK explained that the D2N2 LEP will work through the new D2N2 Technical Assistance service to gauge the capacity of the market place to make sure there was a pipeline of high quality applications to come forward under the calls. RK talked through the paper which provided a strategic overview of each call and types of activity which would be sought.

Reassurance was sought that DWP would have the capacity to launch calls and have teams in place to appraise the applications.

RK confirmed that various partners had been consulted with regards to the proposed call content. Calls were proposed to:

- bring forward a Careers and Employment Hub, where schools can go to help inform employers and help with career decisions, and help motivate young people in to the workplace.
- bring forward a Skills Access Hub for SMEs, giving them a place to go so they can understand what their skill requirements are and how to source them.
- Help improve the digital skills of those seeking and already in work

Sub-committee members suggested it would be preferable to focus the calls around the outcome to be achieved rather than specifying a particular product or method to meet that need. This would allow for innovation and different approaches to be considered to meet the required outcome.

Sub-committee members also drew attention to similar activity to the Skills Hub being commissioned through the Midlands Engine (re the proposed skills accelerator) and suggested that the ESF calls needed to be structured so as to avoid duplication with this.

Sub-committee members agreed that fewer calls can have bigger strategic impact which is preferable than having multiple smaller calls, and is better for the appraisal teams. It would also be important for

applicants under the calls to set out how the provision would be sustainable after the end of ESF funding.

Sub-committee members requested that social care is not disregarded and were in agreement that Higher Education played a significant role, especially in regards to investment priority 2.2, and that as such HE partners needed to be consulted further.

It was agreed that the LEP needed to refine the proposals further taking on board the feedback from the sub-committee and the wider consultation and then bring the proposals back to be considered by the Skills Officer Group.

D2N2 LEP planned to speak with DWP following advice from the ESIF sub-committee regarding the call schedule. RK suggested there would possibly be a call in June or July 2019 but wanted to ensure delivery partnerships are in place before launching this.

Action: LEP to consult further and refine call content to reflect the comments from the sub-committee. LEP to take refined proposal back to be considered by the Skills Officer Group and agree call schedule with DWP.

Item 7. ERDF Outline Assessments

AV reported that an ERDF call was launched in October 2018 across all priority axes to bring forward projects to take up the remaining balance in the D2N2 LEP allocation. Calls closed on 23 November 2018 and 15 applications were assessed, two of which failed gateway assessment criteria. 13 assessments were presented to the sub-committee for advice.

AV presented the papers on the outline assessments for:

PA1

- Driving Research and Innovation
- Aerospace Unlocking Potential
- D2N2 Design Innovation for SMEs

PA2

- Digital Upscaler

PA3

- Invest in D2N2
- The Big House
- Supply Chain Improvement Network (SCINet)
- Delivering a World Class Visitor Economy within Derbyshire (Phase 2)

PA4

- SUNRISE – Storage Utilising Network of Rooftop Integrated Solar Energy-systems
- DE-carbonise D2N2
- Energy Innovation and Collaboration – Energy for Business

PA5

- Project MUNIO II – a Derwent Parade

PA6

- Derby-Nottingham Metro Area Biodiversity Action: Phase 2

Sub-committee advice details can be found in Annex 01.

Item 8. ERDF Project Change Request Extension, Internationalising SMEs

AV presented the project extension paper seeking sub-committee advice for Internationalising SMEs. Sub-committee advice details can be found in Annex 02.

Item 9. ERDF Project Change Request Extension, Growing Enterprise

AV presented the project extension paper seeking sub-committee advice for Growing Enterprise. Sub-committee advice details can be found in Annex 02.

Item 10. ERDF Full Appraisal, PA3 D2N2 Growth and Innovation Programme Phase 2

AV presented the full appraisal paper seeking sub-committee advice for D2N2 Growth and Innovation. Sub-committee details can be found in Annex 03.

Item 11. ERDF Full Appraisal, PA1 Productivity through Innovation

ES presented the full appraisal paper seeking sub-committee advice for Productivity through Innovation. Sub-committee advice details can be found in Annex 03.

Item 12. ERDF Full Appraisal, PA3 Encsite 3

AV presented the full appraisal paper seeking sub-committee advice for Encsite 3. Sub-committee advice details can be found in Annex 03.

Item 13. SUD Update

Jem Woolley (JW) confirmed that 3 SUD full applications were in the process of being appraised; this accounted for £8.3m (73%) of £11.3m funding allocation. Further calls for outline applications for PA2, PA3 and PA4 is expected to be published in February 2019 and would be open for 2 months. JW confirmed that applicants would be asked to deliver under at least two of the priority axes, if not all three. The call will focus on capital investment to provide energy efficient incubator space for businesses in the local sectors, combining an effective programme of business support tailored to the growth needs of the target occupants. JW stated that investment priorities 3c and 3d have been added to the SUD Strategy and the forthcoming call to make it more flexible.

JW presented performance data for three projects which were at various stages of appraisal (full application) and support was being provided for applicants who had less ERDF experience. It was noted that one full application had been withdrawn.

The Chair asked if the projects would be contracted by April; JW explained that as the projects are capital and are required to deliver under multi-priority axes, the projects are complex and this means they are taking time to progress through appraisal. However, the intermediate body and MA are meeting regularly with the applicants to progress issues. The sub-committee members asked whether this being the case, the call should still include a requirement for projects to deliver across multi priority axes. JW said that this was one of the differences between projects delivered under the SUD strategy.

The sub-committee were supportive of the February call to proceed.

Item 14. Any other business

There was no other business to report.

Appendix A - Actions of the Meeting

Agenda Item	Action	Action assigned to
1	MHCLG to send out meeting notifications for the rest of the meetings in 2019	AV
4a.	RPA to provide an analysis of the reasons why projects are dropping out	CF
4b	MHCLG to invite another project to attend a future meeting to provide a presentation on project.	AV
6	LEP to consult further and refine call content to reflect the comments from the sub-committee. LEP to take refined proposal back to be considered by the Skills Officer Group and agree call schedule with DWP.	RK

Annex 01: Summary of Projects Considered by Members at Outline Stage

Project Name: Driving Research and Innovation	Applicant: University of Nottingham
Programme Priority Axis: 1	Investment Priority: 1b
Total Project Value: £4,666,920	Total ESIF Sought: £2,333,460
<p>Summary of Discussion Sub-committee members discussed the sustainability of the project for the D2N2 region once the project ends. Members confirmed that the proposal offered a STRONG strategic fit and good value for money.</p> <p>There was not enough budget available under the call to support all PA1 applications which offered a strong strategic fit; sub-committee members requested that further evidence is provided to inform the strategic advice to the MA and the prioritisation under the call</p>	
<p>Advice of the sub-committee Further evidence to be requested and presented to the sub-committee to inform advice to the MA on how to prioritise the funding under the PA1 call across the two applications rated as strong. Information to be requested as follows:</p> <ol style="list-style-type: none"> 1. What will be the impact on the productivity levels within the firms supported and how will it be measured? 2. What is the sustainability of the project offer? i.e. what will happen when ERDF support ends? 3. What are the lessons learned from Enabling Innovation and how will this be built into this project? 4. How will the support link into the Growth Hub? 	

Project Name: Aerospace Unlocking Potential – D2N2	Applicant: University of Nottingham
Programme Priority Axis: 1	Investment Priority: 1b
Total Project Value: £4,258,826	Total ESIF Sought: £2,129,413
<p>Summary of Discussion Sub-committee members agreed that the proposal offered a STRONG strategic fit, however, the project aims to support fewer businesses so offers less value for money.</p> <p>Due to other applications made by this applicant in other LEP areas, sub-committee members felt they required more information on what they were doing in these areas before making a decision.</p> <p>There was not enough budget available under the call to support all PA1 applications which offered a strong strategic fit; sub-committee members requested that further evidence is provided to inform the strategic advice to the MA and prioritisation under the call.</p>	
<p>Advice of the sub-committee Further evidence to be requested and presented to the sub-committee to inform advice to the MA on how to prioritise the funding under the PA1 call across the two applications rated as strong. Information to be requested as follows</p> <ol style="list-style-type: none"> 1. What will be the impact on the productivity levels within the firms supported and how will it be measured? 	

2. What is the sustainability of the project offer? i.e. what will happen when ERDF support ends?
3. How does the support on offer link into the LEP's investment in the Advanced Manufacturing building?
4. We are aware that the applicant has submitted other applications to deliver this offer in other LEP areas. What is the intended overall geographical coverage of the offer and how does the value for money compare across the LEP areas covered? What efficiencies will be delivered by increasing the geographical coverage of the offer across the additional LEP areas? And is there a cap on the number of LEPs/number of firms which can be supported?

Project Name: D2N2 Design Innovation for SME's	Applicant: Nottingham Trent University
Programme Priority Axis: 1	Investment Priority: 1b
Total Project Value: £2,855,118	Total ESIF Sought: £1,427,559
<p>Summary of Discussion Sub-committee members stated there was a lack of information provided in the application. They agreed it had a potential to be a strong application, but at present it offered MEDIUM strategic fit. Due to the number of strong applications, it was agreed that this project will go on the reserve list and they will be invited forward in future if there is any remaining funding.</p>	
<p>Advice of the sub-committee The application was placed on the reserve list and will be invited forward in future if there is any future funding.</p>	
<p>Additional conditions If invited to come forward in the future, the following additional conditions are recommended by the sub-committee:</p> <ol style="list-style-type: none"> 1. The applicant should set out within the full application the anticipated uplift on the productivity levels within the supported firms and any evidence to support this forecast; as well as how they will track productivity improvements in delivery and evaluate productivity impact within the summative assessment. 2. The applicant should set out within the full application how sustainable the activity is and what will happen to the support offered through the project once ERDF funding ends. 3. The applicant should provide more evidence of how the project links to local and national strategic priorities. 	

Project Name: Digital Upscaler	Applicant: East Midlands Chamber (Derbyshire, Nottinghamshire, Leicestershire)
Programme Priority Axis: 2	Investment Priority: 2b
Total Project Value: £1,891,473	Total ESIF Sought: £945,736
<p>Summary of Discussion Sub-committee members stated output targets were weak They wanted further evidence of how the intended activity would result in sustainable productivity benefits in the supported businesses, and more information on how the outputs would be monitored and tracked to ensure that they are achieved.</p>	

<p>Advice of the sub-committee The sub-committee advised the Managing Authority that the application has a SATISFACTORY strategic fit and recommended it be invited forward to full application with the suggested conditions below.</p>
<p>Additional conditions suggested</p> <ol style="list-style-type: none"> 1. The applicant should provide evidence of how the intended activity will result in sustainable productivity benefits in the supported businesses and achieve the target outputs. 2. The applicant should explain how they will track productivity improvements in delivery and evaluate productivity impact within the summative assessment. 3. The applicant should set out within the full application how sustainable the activity is and what will happen to the support offered through the project once ERDF funding ends.

Project Name: Invest in D2N2	Applicant: Nottingham City Council
Programme Priority Axis: 3	Investment Priority: 3a, 3c, 3d
Total Project Value: £3,751,720	Total ESIF Sought: £1,875,860
<p>Summary of Discussion Sub-committee members agreed that the project is value for money in terms of creating new jobs, however, no evidence of productivity is noted in the application. Sub-committee members were interested to know how the project plans to cover all areas in D2N2.</p>	
<p>Advice of the sub-committee More evidence required. Advise to invite to Full Application with the suggested conditions.</p>	
<p>Additional conditions suggested</p> <ol style="list-style-type: none"> 1. The applicant should provide evidence of how the intended activity will result in an uplift in productivity and how it will ensure the target outputs are achieved 2. The applicant should explain how they will track productivity improvements in delivery and evaluate productivity impact within the summative assessment. 3. The applicant should detail how they plan to cover all areas in D2N2. 4. The applicant should set out within the full application how sustainable the activity is and what will happen to the support offered through the project once ERDF funding ends. 	

Project Name: The Big House	Applicant: Nottingham City Council
Programme Priority Axis: 3	Investment Priority: 3a, 3c, 3d
Total Project Value: £4,436,446	Total ESIF Sought: £2,218,222

<p>Summary of Discussion</p> <p>Sub-committee members agreed that creative industries make an important contribution to D2N2 but the application lacked evidence of what had been achieved through phase 1 of the project, particularly regarding the sustainability of the businesses created</p>
<p>Advice of the sub-committee</p> <p>The sub-committee advised the Managing Authority that the application has a STRONG strategic fit and recommend it be invited forward to full application with the suggested condition below.</p>
<p>Additional conditions suggested</p> <ol style="list-style-type: none"> 1. The applicant to provide evidence of the sustainability of the businesses created through the first phase. 2. Using more substantial evidence of what has been achieved through phase 1 of the project, the applicant should demonstrate how the proposed activities will lead to an increase in GVA and how it will ensure the target outputs are achieved. 3. The applicant should explain how they will track productivity improvements in delivery and evaluate productivity impact within the summative assessment. 4. The applicant should set out within the full application how sustainable the activity is and what will happen to the support offered through the project once ERDF funding ends.

Project Name: Supply Chain Improvement Network (SCINet)	Applicant: University of Nottingham
Programme Priority Axis: 3	Investment Priority: 3c
Total Project Value: £2,385,610	Total ESIF Sought: £1,192,805
<p>Summary of Discussion</p> <p>Sub-committee members received an overview of the outline assessment of Supply Chain Improvement Network (SCINet) with advice regarding strategic fit and value for money. Sub-committee members discussed that the match funding comes from their 5 delivery partners and sub-committee members raised how will the project ensure the benefit goes to supply chain and not their delivery partners. It was agreed that the application was unclear on what the programme does, what the real deliverables and outputs are and why it is only creating 3 jobs.</p>	
<p>Advice of the sub-committee</p> <p>The sub-committee advised the Managing Authority that the application has a MEDIUM strategic fit and recommend it be invited forward to full application with strong conditions to set out in more detail the nature of the support, how benefits will be sustained, with a view to increasing the number of jobs created.</p>	
<p>Additional conditions suggested</p> <ol style="list-style-type: none"> 1. The applicant to set out clearly and in detail the nature of support and how it will be delivered 2. The applicant to set out how they will ensure the benefits accrue to the beneficiary firms in the supply chain, rather than to the delivery partners; and how any potential benefit to the delivery partners will be managed in a way which meets state aid and ERDF regulations. 	

3. The impact of the support appears limited given the low employment created target of three jobs. It is also unclear where across the project and supply chain these jobs will be created. Efforts should therefore be made to improve value for money through increasing the employment created target and clarity provided on where and how the jobs will be created.

4. The applicant should set out within the full application the anticipated uplift on the productivity levels within the supported firms and provide evidence to support this forecast; as well as how they will track productivity improvements and evaluate GVA impact within the summative assessment.

Project Name: Delivering a World Class visitor Economy within Derbyshire (Phase 2)	Applicant: East Midlands Chamber Ltd t/a Marketing Peak District and Derbyshire
Programme Priority Axis: 3	Investment Priority: 3d (some 3c)
Total Project Value: £1,220,602	Total ESIF Sought: £610,301
<p>Summary of Discussion It was noted by sub-committee members that the outline does not show that the project would help the region economically and that Phase 1 is currently behind on its targets. It was noted that Phase 2 will not include the Phase 1 delivery partners.</p> <p>Sub-committee members agreed that tourism is critical in Derbyshire, but that the impact of the project was not evident from the outline application. The members agreed to invite the project to full, but this would be conditional upon the full application providing a robust demonstration of how the project activity would provide sustainable GVA improvements.</p>	
<p>Advice of the sub-committee The sub-committee advised the Managing Authority that the application has a MEDIUM strategic fit, expressing concern at the underperformance of phase 1, and therefore recommending it be invited forward to full application only with strong conditions to evidence how the project would provide a productivity uplift.</p>	
<p>Additional conditions suggested 1. The full application should provide clear evidence of how the activities in phase 1 have resulted in sustainable productivity improvements set out what will be different in phase 2, and provide a robust demonstration of how a second phase of activity would result in greater improvements in gross value added 2. It is noted that the project is currently behind in delivery of outputs. Underperformance, and the reasons for it, will need to be addressed to provide reassurance that outputs will be achieved if a phase 2 project is supported.</p>	

Project Name: DE-carbonise D2N2	Applicant: University of Derby
Programme Priority Axis: 4	Investment Priority: 4b, 4f
Total Project Value: £5,220,481	Total ESIF Sought: £2,610,240
<p>Summary of Discussion Sub-committee members were not clear why the outputs were reduced when existing project performance is above profile for the majority of outputs.</p>	

<p>Advice of the sub-committee</p> <p>The sub-committee advised the Managing Authority that the application has a STRONG strategic fit and recommended it be invited forward to full application with the suggested conditions below.</p>
<p>Additional conditions suggested</p> <ol style="list-style-type: none"> 1. The applicant should set out which sorts of businesses and investments supported under phase 1 have achieved the greatest reductions in greenhouse gas emissions and how this will inform the targeting of support under the second phase. 2. On the basis of outputs achieved through phase 1 and the implementation of lessons learned the outputs to be achieved should be increased. 3. The applicant should demonstrate how their activity will achieve sustainable productivity improvements in the businesses they assist.

Project Name: Energy Innovation and Collaboration – Energy for Business	Applicant: The University of Nottingham
Programme Priority Axis: 4	Investment Priority: 4b, 4f
Total Project Value: £3,693,933	Total ESIF Sought: £1,840,767
<p>Summary of Discussion</p> <p>Sub-committee members confirmed that the project supports the call by building on the work of the Energy Technology Research Institute and providing placements, grants and advice to support the development and use of low carbon technologies. The current project is on track to achieve all its targets and the project is getting requests from neighbouring regions for support. The call states the project should primarily be supporting businesses in the D2N2 area and it was agreed by members that the project should be restricted to supporting businesses within this region.</p>	
<p>Advice of the sub-committee</p> <p>The sub-committee advised the Managing Authority that the application has a STRONG strategic fit and recommend it be invited forward to full application with the suggested condition below.</p>	
<p>Additional conditions suggested</p> <ol style="list-style-type: none"> 1. Applicant to support businesses within the D2N2 area only. 2. The applicant should demonstrate how their activity will achieve sustainable productivity improvements in the businesses they assist. 	

Project Name: SUNRISE – Storage Utilising Network of Rooftop Integrated Solar Energy Systems	Applicant: Nottingham City Council
Programme Priority Axis: 4	Investment Priority: 4c
Total Project Value: £10,561,442	Total ESIF Sought: £5,280,721
<p>Summary of Discussion</p> <p>The sub-committee members stated the project is poor value for money and is a weak strategic fit.</p>	

Advice of the sub-committee
 The sub-committee advised the Managing Authority that the application has a **WEAK** strategic fit and recommend it is rejected at this stage. It was noted that NCC could apply again if there is a future call but would have to make efforts to improve the value for money.

Project Name: Project MUNIO II – a Derwent Parade	Applicant: Derby City Council
Programme Priority Axis: 5	Investment Priority: 5b
Total Project Value: £2,160,000	Total ESIF Sought: £1,080,000
Summary of Discussion Sub-committee members were concerned that there was a significant higher cost to this project compared to the previous ones, resulting in less value for money, as this project would only be helping protect 22 properties. It was agreed that it does meet the call specification and is a good strategic fit, however, further details confirming the benefits of the scheme would be required.	
Advice of the sub-committee The sub-committee advised the Managing Authority that the application has a MEDIUM strategic fit and recommend it be invited forward to full application with the suggested condition below.	
Additional conditions suggested 1. The applicant should provide a fuller justification of the benefits of the scheme, given the low number of properties protected.	

Project Name: Derby-Nottingham Metro Area Biodiversity Action: Phase 2	Applicant: Nottingham City Council
Programme Priority Axis: 6	Investment Priority: 6d
Total Project Value: £2,102,204	Total ESIF Sought: £1,051,102
Summary of Discussion Sub-committee members agreed that further details regarding biodiversity should be requested. Members agreed that the project has an overall medium strategic fit and would be a worthwhile project if they address the proposed conditions.	
Advice of the sub-committee The sub-committee endorsed the view of the Strategic Review Group and advised the Managing Authority that the application has a MEDIUM strategic fit and recommend it be invited forward to full application with the suggested condition below.	
Additional conditions suggested 1. The applicant should give further detail on how bio-diversity will be enhanced alongside enhancing multi-user pathways.	

Annex 02: Summary of Projects considered by members as Project Change Request for a Phase 2 Extension.

Project Name: Internationalising SMEs	Applicant: East Midlands Business Limited
Programme Priority Axis: 3	Investment Priority: 3d

Existing Project Value (D2N2): £1,112,509.26	Existing ERDF Value (D2N2): £510,092
Proposed Project Value (D2N2): £1,453,340.83	Proposed ERDF Value (D2N2): £677,871
<p>Summary of Discussion Sub-committee members were reminded that current provision is due to end on 31st March 2019 and that the Department for International Trade had applied for ERDF last year to help support a new enhanced model that was due to start 1st April 2019. This project has been postponed for a year due to delays in procurement. This was due to government procedures, not the current project applicant. Members agreed that there would be a gap left in the provision of ERDF-backed export support service at a crucial time as the UK leaves Europe if the extension was not agreed. Members agreed the need for a one year extension and that it was a strong strategic priority. .</p> <p>Members noted that the project could be better engaged with local authorities, particularly Derby City Council. Members were asked to provide contact details of the relevant people to engage with in the local authorities and AV will pass these on to the project to ensure they link up support.</p>	
<p>Advice of the sub-committee Sub-committee members recommended that the project proceed to a Funding Agreement Variation to extend the Phase 1 with no further conditions.</p>	
<p>Additional conditions suggested None</p>	

Project Name: Growing Enterprise 2 (GE2) D2N2	Applicant: NBV Enterprise Solutions Limited
Programme Priority Axis: 3	Investment Priority: 3a
Existing Project Value: £2,730,420	Existing ERDF Value: £1,365,210
Proposed Project Value: £5,789,100	Proposed ERDF Value: £2,894,550
<p>Summary of Discussion Sub-committee members were asked to note that the only change since the outline application was the removal of NWES Ltd as delivery partner.. It was reported that project performance is in line with the contract in terms of spend and the project are ahead in delivering the majority of outputs.</p>	
<p>Advice of the sub-committee Sub-committee members agreed the project still had strong strategic fit and recommended that it proceed to a Funding Agreement Variation to extend the Phase 1 with no further conditions.</p>	
<p>Additional conditions suggested None</p>	

Annex 03: Summary of Projects considered by members as Full Appraisal.

Project Name: D2N2 SME Growth & Innovation Programme Phase 2	Applicant: East Midlands Business Limited
Programme Priority Axis: 3	Investment Priority: 3d
Total Project Value: £4,338,663	Total ERDF Sought: £2,169,330
<p>Summary of Discussion Sub-committee members requested further clarification on the quality of the jobs created and how they would be measured. It was agreed that whilst in the European Programme output metrics cannot be added, the MA could ask projects to report on the quality of jobs and mobility in the D2N2 region as part of the summative assessment.</p>	
<p>Advice of the sub-committee Sub-committee members agreed that the project continued to offer strong strategic fit and recommended that the project proceed to Grant Funding Agreement with conditions.</p>	
<p>Additional conditions suggested 1.The applicant should monitor the quality of the jobs created, for instance by obtaining information on the salary levels of jobs created and also monitor if the jobs are being taken up by people already resident in the D2N2 area. This should be considered as part of the summative assessment.</p>	

Project Name: Productivity through Innovation	Applicant: University of Nottingham
Programme Priority Axis: 1	Investment Priority: 1b
Total Project Value: £7,140,000	Total ESIF Sought: £3,570,000
<p>Summary of Discussion Sub-committee members were informed that all outputs demonstrated better value for money than the average cost per unit. It was agreed that the full application responded well to call specifications.</p> <p>Members requested that University of Nottingham attend a future meeting to provide a presentation on Enabling Innovation project.</p>	
<p>Advice of the sub-committee Sub-committee members recommended that the project proceed to Grant Funding Agreement with conditions.</p>	
<p>Additional conditions suggested None</p>	

Project Name: Encsite 3	Applicant: University of Derby
Programme Priority Axis: 3	Investment Priority: 3c, 3d
Total Project Value: £1,473,850	Total ESIF Sought: £736,925
<p>Summary of Discussion Sub-committee members agreed that the proposal offers value for money and were content for it to progress.</p>	

Advice of the sub-committee The application was endorsed to proceed to a Grant Funding Agreement with no further conditions.
Additional conditions suggested None

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
Christopher Franklin (CF)	Rural Payments Agency
Professor Warren Manning (PWM)	HE Representative (University of Derby)
Jane Howson (JH)	VCSE Representative
Robert Dixon (RD)	Nottingham City Council
Cllr Garry Hickton (Cllr GH)	Derbyshire County Council
Alan Smith (AS)	Derby City Council
Matthew Easter (ME)	Sustrans
Bev Parker (BP)	Rural Reference Group
Nicola McCoy-Brown (NMcb)	Nottinghamshire County Council
Cllr Reg Adair (Cllr RA)	Nottinghamshire County Council
Tim George (TGeo)	Managing Authority ESF (DWP)

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

Name, title and organisation	Sector/Organisation Representing
Eimear Scullin (ES)	MHCLG
Vera Adesogan (VA)	MHCLG
Dawn O'Brien (DOB)	MHCLG
Jem Wooley (JW)	Greater Nottingham SUD
Richard Kirkland (RK)	D2N2 LEP
Rachel Quinn (RQ)	D2N2 LEP

Apologies:

Name, title and organisation	Sector/Organisation Representing
Diane Beresford (DB)	East Midlands Chamber
James Whybrow (JWh)	FE Representative
Cllr Chris Poulter (Cllr CP)	Derby City Council
Nicki Jenkins (NJ)	Nottingham City Council
Cllr Jon Collins (Cllr JC)	Nottingham City Council