



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
Tuesday 14th May 2019
1.30pm – 3.30pm**

Venue: Rushcliffe Borough Council, Rushcliffe Arena, West Bridgford, NG2 7YG

Item	Description
1	Apologies, Minutes of last meeting (14 th February 2019)
2	Declarations of Interest
3	Written Procedures update
4	Management Information Reports a) EAFRD b) ESF c) ERDF
5	Update on SUD
6	ERDF Allocations and June Call
7	ESF Call Schedule
8	Presentation from Building Better Opportunities Projects
9	Any other business

Item 1. Apologies, Minutes of last meeting (14th February 2019)

1.1 Apologies

The following apologies were noted:

Name	Organisation	Deputised by
Nicola McCoy-Brown	Nottinghamshire County Council	Oliver Whittaker
Jon Collins	Nottingham City Council	
Matthew Easter	Sustrans	
Christopher Franklin	Rural Payments Agency	

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 14th February 2019

Progress of actions:

Agenda Item from 14 th February 2019 meeting	Action identified from 14 th February 2019 meeting	Action update at 14 th May 2019 meeting
1.	MHCLG to send out meeting notifications for the rest of the meetings in 2019.	Schedule of future meetings sent to ESIF sub-committee members 20/03/2019.
4a.	RPA to provide an analysis of the reasons why projects are dropping out.	Analysis sent to ESIF sub-committee members on 04/03/2019 with minutes of last meeting.
4b.	MHCLG to invite another project to attend a future meeting to provide a presentation on project.	Presentation from Building Better Opportunities project at item 8
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.	This was completed and will be discussed at Item 7.

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
3	Written Procedures update	N/A
4	Management Information Reports a) EAFRD b) ESF c) ERDF	N/A
5	Update on SUD	N/A
6	ERDF Allocations and June Call	Alan Smith – Derby City Council Nicki Jenkins – Nottingham City Council

7	ESF Call Schedule	James Whybrow – FE representative Nicki Jenkins – Nottingham City Council
8	Presentation from Building Better Opportunities Projects	N/A
9	Any other business	N/A

Item 3. Written Procedures update

Anna Vinsen reported that, since the last ESIF sub-committee meeting there were 2 written procedures for ERDF. At the last meeting, PA1 outline applications were discussed; as there was insufficient funding for all PA1 projects, members agreed that the MA should ask for more information from University of Nottingham which was presented via written procedure. The MA invited the applicant to submit a full application for Driving Research and Innovation for the full value and the remaining balance was offered for Aerospace Unlocking Potential with conditions. There were no comments from members following the written procedure process and full applications are due on 20th June.

AV noted that the second written procedure for ERDF was for the Better Off In Business Phase 2 appraisal; responses were supportive overall with one comment that it would be helpful to have feedback monitoring information regarding targeting sectors and location of businesses supported. This has been discussed with the applicant and they have agreed to provide annual monitoring information.

Tim George (TGeo) reported that there was one written procedure for ESF which was a letter from Emma Kirkpatrick regarding effective ESF local Call Planning and the introduction of ECLAIMS Online Application only calls. TGeo noted that it was a standard letter distributed nationally and intended for other LEPS as D2N2 has a robust call schedule.

There were no written procedures for EAFRD.

Item 4. Management Information Reports

4a) EAFRD – Anna Vinsen on behalf of Chris Franklin, Rural Payments Agency

Anna Vinsen (AV) noted Chris Franklin's apologies and presented an update on behalf of RPA. She provided an update on EAFRD as follows:

In the D2N2 LEP area there were 19 full applications received to date; of these, ten had been contracted, two in appraisal and seven withdrawn.

RPA are still anticipating 22 full applications; these have a combined grant request of £5.7m and the deadline for receipt of these is the end of September 2019. To help these applicants prepare their full applications, RPA are holding a number of workshops; the next two in Nottingham will be held 15th May and 14th June. Once all selected projects are progressed through the system, RPA are anticipating that nationally some funding will remain uncommitted. RPA are holding a meeting week commencing 20th May with LEP representatives to discuss options of how to take up this funding, including the potential introduction of a reserve fund. It was noted that Lindsey Whetton from D2N2 has been invited to attend.

Members noted there was a high drop-out rate for EAFRD projects and that the EAFRD Managing Authority had decided not to support local TA projects, which meant that there was difficulty in planning the pipeline and providing local support to applicants to improve the success rate.

4b) ESF – Tim George, ESF Managing Authority

Tim George (TGeo), DWP, presented an update paper for ESF as follows:

There are four live calls in the D2N2 area, one of which is a Technical Assistance for ESF. TGeo reported that the application has come in and is currently in appraisal.

There are five applications in appraisal for D2N2 and all are approaching conclusion with the final rounds of questions to be addressed by the applicants. As the calls are competitive, all appraisals must be complete before they can be presented to the ESIF sub-committee for comments. He noted the comprehensive list of delivery partners involved in the applications and the MA proposed that a discrete group of non-conflicted ESIF sub-committee members be given delegated responsibility to offer comments as the appraisal process is completed. ESIF sub-committee members supported this proposal. TGeo noted that papers will not be ready to be circulated until June.

Action: AV to send an e-mail to members to ask them to confirm whether they have no conflicts of interest and can therefore take part in the sub-group of the sub-committee to consider the ESF appraisals.

Action: TGeo to correct delivery partner name to Nottinghamshire County Council.

4c) ERDF – Anna Vinsen, ERDF Managing Authority

AV provided an update on ERDF as follows:

For each priority axis there is one output seen as a key metric and is known by the commission as the performance framework output. The next milestone is 2023 which is the end of the programme. D2N2 projects have already achieved the 2023 target for PA1 businesses supported. It was however noted that the target is quite conservative at 683. 1407 D2N2 businesses have been supported so far under PA1.

We are forecasting to achieve the D2N2 PF output target under PA3 and PA6, but there are insufficient outputs forecasted to achieve PA2, PA4 and PA5 output targets. It was noted that if the allocations change the associated output targets will change. There have been discussions with the Commission due to difficulties nationally with the delivery of PA2, PA4 and PA5. Specifically, there is only one project under PA5 in D2N2 which is experiencing slippage. Alan Smith remarked that the slippage was due to the fact that the procurement had actually come in at lower than anticipated, so the underspend was actually due to the project achieved better value for money. This was noted.

AV reported that there were 11 projects at outline stage which were the projects selected following the last meeting. All feedback meetings have taken place with full applications due on 20th May. There are two projects at full appraisal stage. AV noted that one of these, the Trent Basin Community Energy project from the University of Nottingham, has been on hold since last year, as the MA are waiting for a response from the University on a number of significant issues.

Item 5. Update on SUD

Jem Woolley (JW) reported that:

- No projects are live yet, £2.8m (25%) of £11.3m is programmed against one project at contracting stage.
- £5.5m (48%) is programmed against two projects at full application stage.
- A further call for outline applications has resulted in two bids worth £3.4m (30%)

It was noted that there is an issue with the allocation against different PAs with projects requesting just over £1m more than is available under PA3, and balances of £597,000 remaining in PA4 and £95,000 in PA2.

It was noted that there is not enough funding left under PA3 SUD to support both projects from the recent call and discussions are being held with D2N2 and MHCLG to see if there is a way to realign funds. This was later covered in Item 6.

JW proposed that SUD committees are aligned with those of the D2N2 ESIF sub-committee. It was proposed that future SUD committee meetings will follow immediately after the ESIF sub-committee.

Members clarified to the Chair who attends these meetings: Nottingham City Council, Nottinghamshire County Council, a district council representative, a university representative, and private sector, equalities and sustainability representatives. AV is the Deputy Chair and a Chair is being sought for future meetings.

Item 6. ERDF Allocations and June Call

Under this item, the MA was requesting advice from members regarding how they wish to reallocate funding between the priority axes prior to the last LEP level calls which will be launched in June. AV informed the sub-committee of the timetable for the June calls and sought their advice on the scope and content of these calls.

The last LEP level calls will launch on 28 June and will close on 30 September 2019. Following the June calls, any funding remaining in the LEP allocation outside of contracted and selected applications will be transferred to the Reserve Fund and will be made available through national calls.

The MA reported that they were removing the rule that applications for extensions can only be accepted if a project is within 18 months of completion. This change is intended to maximise the ability of projects at the LEP level to come forward. In addition, a revised and simplified outline application will be made available in advance of the calls going live.

There would be £6.2m available in D2N2 and due to a number of factors there is the opportunity to determine how this is split between the Priority Axes.

AV reported that D2N2 met all its performance framework targets however PA5 and PA6 across England did not meet the targets. The MA does not have access to the performance reserve of the budget in these PAs which affects all LEP areas regardless if they reached their LEP target. It was noted that the funding would not be lost but could be moved to another PA which was seen as a positive.

The value of the performance reserve from PA5 and PA6 in the D2N2 allocation (£675k) needs to be reallocated to PA1, 2, 3 or 4. It was confirmed that there would not be any further funding for PA5 and PA6 applications.

There would be an opportunity to exchange £3m PA4 funding for £3m PA1 funding by accepting a transfer offer from South East LEP. The SUD Intermediate Body made an approach to see if the sub-committee would be amenable to swapping £1m of PA3 funding from the main D2N2 allocation, in exchange for £1m of PA2/PA4 funding from the SUD allocation to better meet the project pipeline.

Matt Wheatley (MW) reported back on some soft marketing undertaken by the LEP. MW presented four options that the MA could take to respond to the various requests and balance interests to effectively deliver against strategy. He recommended the approach to maximise funding in PA1 and PA3, through accepting the proposed trade with SELEP and reallocating the £675k performance reserve to PA3. It was further recommended that consideration of SUD transfer is deferred until after the outcome of June ERDF call is known. This would be at the end of 2019 when the outline assessments are presented to the sub-committee for advice.

Members considered the ERDF position in the programme and the relationship with SUD; there was agreement that funds were utilised to their maximum potential and avoided fragmenting the programme. It was noted that the SUD application and appraisal process is complex and takes a long time. It was queried how long the transfer of funds would take as this may impact SUD projects. It was agreed that consideration of SUD request would be deferred until the main call process had been completed. AV reported that calls close 30th September and they aimed to get a selection of decisions completed by December 2019; this would give the MA a clear idea of a reserve fund figure.

Members were in agreement to wait for further confirmation before transferring funds.

Sub-committee members asked if there was another process to submit extensions through PCR for additional funding. AV commented that projects which are performing well are invited to submit an outline form under the call as this is a transparent and fair process. If selected, the MA could invite such projects to submit a PCR rather than a full application if there was no significant change in the activity to be funded.

AV planned to finalise the call specification by 5th June and proposed to work with D2N2 LEP as an opportunity to focus on productivity review themes. Members suggested a focus on productivity and the strategic economic plan and agreed that the LEP and MA would work together to finalise the call templates using the call allocations agreed.

Item 7. ESF Call Schedule

Richard Kirkland (RK) recommended that members of the sub-committee agree the D2N2 ESF calls schedule with DWP as outlined in the paper. He reported that there were four open calls and TA workshops were taking place in May to support organisations in making high quality applications and developing strong delivery partnerships. D2N2 LEP officers consulted with University of Derby as requested at the last ESIF subcommittee to inform the Skills Access Hub tender documentation. Applicants would be required to provide 50% funding from applications. D2N2 LEP have undertaken some soft market testing in order to inform the timings of the call schedule and applicant capacity to bring forward match at 50%.

RK reported that D2N2 LEP have met the criteria that Catherine Blair identified in her letter (dated 12th November 2018) to ESIF sub-committee members which asked LEP areas to develop plans to commit funds for the remainder of the programme and be ready to share those plans with DWP LEP Leads by the first week in December 2018.

D2N2 have used the revised Strategic Economic Plan, Vision 2030 document to ensure emerging employment and skills challenges were being addressed in the call schedule; RK discussed the draft strategic overview papers which had resulted from the market testing. In the Technical skills for the Construction Sector D2N2 LEP want to be able to develop a pipeline of skilled individuals to be able to meet the challenges in the construction sector such as infrastructure, HS2 and housing developments. It was noted that the food and drink manufacturing sector and construction sector are exposed to Brexit pressures and there would need to be a steady pipeline for people currently employed to gain skills, so they can make those companies more productive/efficient.

Members agreed with the recommendation and were interested in the upskilling themes of the call.

Item 8. Presentation from Building Better Opportunities Projects

Rachel Quinn (RQ) arranged a presentation from the Building Better Opportunities project which is co-financed with ESIF and lottery funds. Presentation notes are attached separately.

Item 9. Any other business

MW reported that both the LEP board and the Local Authority have been through changes which will impact ESIF sub-committee representation.

ACTION: D2N2 LEP structure to be circulated to ESIF sub-committee members.

ACTION: MHCLG to review D2N2 LEP ESIF sub-committee members to reflect changes to local councils and the LEP board.

Appendix A - Actions of the Meeting

Agenda Item	Action	Action assigned to
4b	Send an e-mail to members to request conflicts of interest/no conflict.	Anna Vinsen
4b	Correction required for delivery partner Nottinghamshire County Council (previously "Nottingham County Council").	Tim George
9	D2N2 LEP structure to be circulated to ESIF sub-committee members.	Matt Wheatley
9	MHCLG to review D2N2 LEP ESIF sub-committee members listing.	Anna Vinsen/ Secretariat

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
Diane Beresford (DB)	East Midlands Chamber
Cllr Garry Hickton (Cllr GH)	Derbyshire County Council
Alan Smith (AS)	Derby City Council
James Whybrow (JWh)	FE Representative
Bev Parker (BP)	Rural Reference Group
Cllr Reg Adair (Cllr RA)	Nottinghamshire County Council
Tim George (TGeo)	Managing Authority ESF (DWP)
Nicki Jenkins (NJ)	Nottingham City Council

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

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

Apologies:

Name, title and organisation	Sector/Organisation Representing
Nicola McCoy-Brown	Nottinghamshire County Council
Jon Collins	Nottingham City Council
Matthew Easter	Sustrans
Christopher Franklin	Rural Payments Agency