



**D2N2 LEP Area  
Minutes of the ESI Funds Sub-Committee  
Monday 16th July 11.30pm-1.30pm**

**Venue: Derbyshire County Council County Hall, Matlock DE4 3AG**

<b>Item</b>	<b>Description</b>
1	Apologies, Minutes of last meeting (18 <sup>th</sup> May 2018) and process of actions
2.	Written Procedures update a) Offer of ESFA opt in extension from April 2019 Responses by 8th June 2018 b) Learndirect - Change of ownership implications for SKILLS Local . Responses by 18 <sup>th</sup> June 2018 c) D2N2 Strategic Review Group ERDF PA3 project SME International Trade Response required by 25th June 2018 d) D2N2 EAFRD Projects x3 Eols Response required by 26 June 2018 e) D2N2 EAFRD x15 Eols. Response required by 4 July 2018
3.	Management Information Reports (papers) a) ERDF b) EAFRD c) ESF
4.	Offer of ESFA Opt In Extension
5.	ERDF Outline Assessment:-  PA9 - D2N2 Technical Assistance Phase 2
6.	ERDF Full Appraisal:-  PA3 - Upscaler
7.	Midlands Engine Investment Fund – Post Quarter Update Report
8.	Any Other Business

**Item 1.** Apologies, Minutes of last meeting (18<sup>th</sup> May 2018)

**1.1** Apologies, thanks and welcomes

**Apologies:**

- Tim George - (ESF) DWP Managing Authority
- Andy Gibbs - (ESF) DWP Managing Authority
- Andrew Pickin - Business Representative
- Dawn Ward - FE Representative - Burton and South Derbyshire College
- James Whybrow - FE Representative attending on behalf of Dawn Ward
- David Williams – 3W Growth Ltd
- Cllr Tony Ashton - Derbyshire District Council
- Simon Baker - Derbyshire District Council
- Rob Mayo - Rural Reference Group

Michael Henry – Community Sector  
 Diane Beresford - East Midlands Chamber of Commerce  
 Paul Harris - Rolls Royce  
 Cllr Simon Robinson – Rushcliffe Borough Council  
 Matt Easter - Sustrans

**Thanks:**

Ian White - MHCLG  
 Tim George – (ESF) DWP Managing Authority  
 Councillor Martin Rawson – Derby City Council  
 Councillor Roger Blaney - NSDC

**Welcomes:**

Cllr Chris Poulter – Derby City Council  
 Cllr Simon Robinson - Rushcliffe Borough Council  
 Anna Vinsen – MHCLG – Deputy Chair

**1.2** The Chair 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 18<sup>th</sup> May 2018**

Progress of actions:

Agenda Item from 18 <sup>th</sup> May 2018 meeting	Action identified from 18 <sup>th</sup> May 2018 meeting	Action update at 16 <sup>th</sup> July 2018 meeting
3.1	An existing ERDF project would be invited to present at the July meeting.	Due to the substantive agenda for this meeting this action has been rolled forward to a meeting later in the year.
8	The secretariat to confirm the date of the next ESIF sub-committee meeting to be held on 16th July 2018 from 11.30am – 1.30pm at Derbyshire County Council.	Actioned

## **Item 2. Written Procedures update**

Anna Vinsen reported that the following had been circulated using written procedures:

- a) Offer of ESFA opt in extension from April 2019. Responses received by 8 June 2018 – covered at Item 4.
- b) Learndirect - Change of ownership implications for SKILLS Local . Responses received by 18 June 2018 – The recommendation in the paper was agreed that the new arrangements would be continued and progress would continue to be monitored.
- c) D2N2 Strategic Review Group ERDF PA3 project SME International Trade Responses received by 25th June 2018. AV provided an update on responses to this written procedure. The sub committee advised that the application was a medium strategic fit and that the recommendation to invite to full application was supported with the conditions stated in the assessment.
- d) D2N2 EAFRD Projects x3 Eols. Response required by 26 June 2018 – covered at item 3b.
- e) D2N2 EAFRD x15 Eols. Response required by 4 July 2018 – covered at item 3b.

## **Item 3. Management Information Reports**

### **3 a) ERDF – Anna Vinsen MHCLG, ERDF Managing Authority**

AV presented an update on ERDF Performance Management to show progress against spend and output targets at D2N2 LEP area level setting this within the context of the performance of the national programme. Progress against each priority axis was reported as per the paper.

The MAs are reviewing how the exchange rate is managed, and an adjustment in the sterling value of LEP allocations for each PA is anticipated Further information will be provided as soon as possible.

MHCLG has confirmed the dates of a further two ERDF call windows. These call windows will be in October 2018 and March 2019.

It was agreed at the last ESIF sub-committee that given current commitment levels, a Priority 4 call would be prepared for the October 2018 call period. Once there is confirmation on the adjustment to the sterling value of D2N2's PA allocations, the Managing Authority will work with the LEP Officers on a future programme of calls for the other priority axes to ensure we maximise the level of commitment for D2N2.

AV noted that the the deadline to finalise the call documentation for the October call round is 18 September which will be before the next sub committee which is scheduled on 24 September. Sub-committee members were asked if it would be preferable to move the next meeting date forward to allow the call documentation to be considered at that meeting or to keep the existing date of 24 September and consider the draft call documentation via written

procedure. The sub-committee recommended that the next meeting remains as 24 September and written procedures be used to solicit advice on the October call documentation

AV noted that D2N2's PA3 allocation was currently overprogrammed and this was in part due to the D2N2 Growth Hub 2.0 project increasing the value of grant requested by 4% between the outline application and the full application stage. Sub-committee members discussed the option to allow the increase in grant requested by D2N2 Growth Hub 2.0, given that the adjustments to the PA allocations are likely to make this affordable, and it was considered that this would be more efficient than reallocating the funding through a future call.

Members were reminded that 2 of the projects selected from the the same call were capped at 70% to improve affordability. These had come in at full application within the reduced envelope of finance agreed. In terms of equity, it was asked whether consideration should also be given to providing these projects with the option of increasing the grant value to their original level. Members noted that the cap introduced was a reflection of these projects having a lower strategic fit than that of the D2N2 Growth Hub 2.0. It was therefore not considered appropriate to make this invitation. It was agreed that a paper would be circulated via written procedure, setting out the justification and the added value offered by the 4% grant increase requested by D2N2 Growth Hub 2.0, and seeking the advice of the sub committee as to whether this higher value should be accepted, or whether the applicant should be asked to resubmit within the original grant value requested, **Action: Written Procedure for D2N2 Growth Hub 2.0 to be prepared and circulated by AV**

### **3 b) EAFRD – Alex King on behalf of Roger Allonby EAFRD Managing Authority**

Alex King (AK) provided members with an update on the EAFRD Growth Programme.

The EAFRD Growth Programme funding calls for Tourism Infrastructure, Food Processing, and Business Development projects closed for Expressions of Interest on 31 May 2018. The calls were open for 18 months and nationally a large number of applications were received in the final week of the calls. We are now working to process all Expressions of Interest and meet agreed timescales.

Since the last meeting 35 EAFRD Expressions of Interest have been received. In accordance with agreed processes the D2N2 Rural Reference Group (RRG) has provided advice on local strategic fit on each eligible project with endorsement sought from the ESIF Chair on behalf of the sub-committee.

A summary of the 29 eligible projects was presented with advice on local strategic fit to the ESIF sub-committee. All recommendations were supported and the Chair noted the hard work of the RPA and RRG and in particular AK.

### **3 c) ESF – Anna Vinsen on behalf of Andy Gibbs (ESF) DWP Managing Authority**

Anna Vinsen MHCLG presented an update paper on behalf of Andy Gibbs (ESF) DWP Managing Authority.

Sub-committee members raised the issue of low participation from hard-to-reach groups such as people with disabilities and more mature participants. Furthermore, the lack of performance data on actual outputs and spend delivered does not enable the sub committee to monitor performance across their allocation. Sub-committee members requested that a dedicated discussion with DWP should be progressed to voice their concern and seek qualitative and quantitative data to enable performance to be monitored.

**Action:**

**MW to meet with DWP to discuss slippage, monitoring and outputs reporting.**

**Item 4 - Offer of ESFA Opt In Extension**

It was noted that James Whybrow had sent apologies for this meeting and registered a Declaration of Interest.

Richard Kirkland (RK) presented a paper providing the background and update of the ESFA opt-in extension from April 2019. The paper provided an update on the four investment priorities with a recommendation as to whether the sub-committee should approve each investment priority to progress.

a Investment Priority 1.1 – Skills Support for the Unemployed

b Investment Priority 1.2 – NEET to support those aged 15-24 to find employment, education and training

c Investment Priority 1.4 - Community Grants

d Investment Priority 2.1 – Skills Support for the Workforce and those threatened with Redundancy

Matthew Wheatley passed on the advice of the ESF Managing Authority on conflict of interest processes in relation to this item, specifically that members representing organisations that may wish to bid for programmes under IP 1.1 should not take part in the decision-making process

The sub-committee considered priorities 1.2, 1.4, 2.1 and approved the recommendation in the paper to progress the opt-in extension for these investment priorities.

**Investment Priority 1.1 – Skills Support for the Unemployed**

**Declarations of Interest: Cllr Tony King (Derbyshire County Council), Cllr Jon Collins and Jeremy Hague**

Richard Kirkland confirmed that officers recommend that the ESFA opt in offer for this Investment Priority is NOT progressed and that the Employment programme is more appropriately delivered through the open call process due to the flexibilities this can bring to better tailor provision to local needs.

A letter from Allen Graham from Rushcliffe Borough Council dated 13 July 2018 on behalf of Nottinghamshire Local Authority Chief Executives was tabled at the meeting which requested clarity on market evaluation and levels of eligible match.

MW stated that market evaluation had been used from the November 2017 process to develop the strategic overviews for open calls to inform the recommendation. Sub-committee members discussed the issues in the letter and the report. It was felt that the option of a call process for the employment programme would provide flexibility but there was an inherent risk of finding £8m match over 3 years. It was noted that bringing projects through the open call route would mean that provision was likely to be available later than if procured through the ESFA opt in and that a large number of other LEP areas had already decided to opt in under Investment Priority 1.1. However, there were concerns that once an area opted in, a 'one size fits all' approach would be followed that would not be flexible to local needs .

The option of allocating some funding through an open call approach, and some through the ESFA opt in was raised and discussed. Sub-committee members agreed that this would be a complex bureaucratic and inefficient option.

The Chair asked sub-committee members that had not declared an interest to vote in support or against the recommendation in the paper.

Jeremy Hague (JH), Cllr Jon Collins and Cllr Tony King recorded an abstention.

There was one no vote, and others who did vote, voted in favour of the recommendation that the ESFA opt-in offer for investment priority 1.1 is NOT progressed and that the employment programme is brought forward through the open call process. The Chair confirmed the recommendation.

#### **Item 5 - ERDF Outline Assessment:- D2N2 Technical Assistance Phase 2**

**Declarations of Interest: Richard Kirkland, Matt Wheatley, Rachel Quinn, Lindsey Whetton, Cllr Tony King, Cllr Chris Poulter.**

AV presented the D2N2 Technical Assistance Phase 2 outline assessment. Sub-committee members advised that this was a good strategic fit and supported the recommendation to proceed to full application with proposed conditions (see Annex 01).

#### **Item 6 ERDF Full Appraisal :- PA3 – Upscaler**

**Declarations of Interest: Lindsey Whetton, Rachel Quinn, Richard Kirkland, Matt Wheatley, Jeremy Hague.**

AV presented the Up-Scaler full appraisal.

Sub-committee members advised this continued to be a good strategic fit and supported the recommendation to proceed to grant funding agreement with proposed conditions (see Annex 02).

## **Item 7 Midlands Engine Investment Fund – Post Quarter Update Report**

AV presented an update paper on the Midlands Engine Investment Fund which included LEP performance data. Sub-committee members noted that there is a strong pipeline but outputs in terms of beneficiaries is low. Data relating to the conversion of enquiries to applications would be welcomed. British Business Bank (BBB) have offered to attend ESIF sub-committees to provide progress updates, sub-committee members welcomed this offer and a future meeting will invite representation from BBB.

### **Action:**

**BBB to be invited to a future ESIF sub-committee meeting.**

## **Item 8. Any Other Business**

Jem Woolley (JW) provided an update on D2N2 SUD. 3 applications are progressing with £9.5m out of £9.8m committed. The current situation reflects:

PA2 95% committed.

PA3 109% committed.

PA4 80% committed.

Dependent on the exchange rate review there might be scope for a further call. Appraisals for full applications will progress within the next few months.

The Chair reminded sub-committee members that the D2N2 annual conference is on Tuesday 24 July 2018 at Nottingham Contemporary.

The Chair thanked the sub-committee for their support and energy and wished all well for the future. MW thanked PR for his services as Chair over the last 5 years. Sub-committee members endorsed his thanks.

## **Appendix A - Actions of the Meeting**

<b>Agenda Item</b>	<b>Action</b>	<b>Action assigned to</b>
Item 1.4	An existing ERDF project to be invited to present at a future meeting.	Anna Vinsen
Item 3a	A paper setting out the justification and additionality of the 4% increase in the grant requested by the D2N2 Growth Hub project to be prepared and circulated for advice via written procedure	Anna Vinsen
Item 3c	MW to meet with DWP to discuss slippage, monitoring and outputs reporting.	Matt Wheatley
Item 7	BBB to be invited to a future ESIF sub-committee meeting.	Anna Vinsen

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

### Summary of discussion

Overall the outline application is satisfactory with clear identification of activities that will be progressed based on the success of Phase 1 TA project. The outcome of the de-commitment PCR and the processing of the claims will provide further evidence of meeting targets and delivering a compliant project. The outcomes of the PCR and Claims processing will provide further confidence in the ability to deliver a phase 2 project. Outputs will need review and timing and scheduling of activity in the later part of the project (2021) will require justification to evidence that activity will continue up to December 2021.

### Advice of the sub-committee

The sub-committee advised the Managing Authority that the project has a **STRONG** strategic fit and should be invited forward to full application with the conditions proposed by the Managing Authority.

### Additional conditions suggested

N/A

<b>Project name:</b> The D2N2 ERDF Technical Assistance Programme Phase 2	<b>Application organisation:</b> Derby City Council
<b>ERDF Programme Priority Axis:</b> PA9	<b>ERDF Investment Priority:</b> Technical Assistance
<b>Total Project Value:</b> £374,567	<b>Total ESIF Sought:</b> £187,283

## Annex 02: Summary of Projects Considered by Members at Full Appraisal Stage

<b>Project name:</b> Up-scaler	<b>Application organisation:</b> Nottingham Trent University
<b>ERDF Programme Priority Axis:</b> PA3	<b>ERDF Investment Priority:</b> Enhancing the Competitiveness of Small and Medium Sized Enterprises
<b>Total Project Value:</b> £1,529,331	<b>Total ESIF Sought:</b> £644,400
<b>Summary of discussion</b>	
Sub-committee members advised this continued to be a <b>good strategic fit</b> and supported the recommendation to proceed to grant funding agreement with proposed conditions	
<b>Advice of the sub-committee</b>	
The sub-committee advised the Managing Authority that the project should <b>proceed to contract/Grant Funding Agreement</b> with the conditions proposed by the Managing Authority.	
<b>Additional conditions suggested</b>	
N/A	

## **Appendix B Attendee List**

<b>Name, title and organisation</b>	<b>Sector/Organisation Representing</b>
Peter Richardson (PRich)	D2N2 LEP
Anna Vinsen (AV)	Managing Authority ERDF (MHCLG)

### **Sub-Committee Members attending:**

<b>Name, title and organisation</b>	<b>Sector/Organisation Representing</b>
Matt Wheatley (MW)	D2N2 LEP
Cllr Chris Poulter (Cllr CP)	Derby City Council
Cllr Jon Collins (Cllr JC)	Nottingham City Council
Cllr Tony King (Cllr TK)	Derbyshire County Council
Jane Howson (JH)	VCS Representative
Lyndsey Whetton (LW)	D2N2 LEP
Chris Henning (CH)	Nottingham City Council
Rachel Quinn (RQ)	D2N2 LEP
Peter Gadsby (PG)	Ark Capital Ltd
Melanie Ulyat (MU)	Federation of Small Businesses (Nottinghamshire and Derbyshire)
Jeremy Hague (JHague)	Nottingham Trent University

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

<b>Name, title and organisation</b>	<b>Sector/Organisation Representing</b>
Yvonne Dickinson (YD)	MHCLG
Eimear Scullin (ES)	MHCLG
Jem Wooley (JW)	Greater Nottingham SUD
Nicola McCoy-Brown (NMcB)	Nottinghamshire County Council
Cllr Reg Adair (Cllr RA)	Nottinghamshire County Council

Andrew Marsh (AM)	Derbyshire County Council
Alex King	RPA (EAFRD)
Richard Kirland (RK)	D2N2 LEP

**Apologies:**

<b>Name, title and organisation</b>	<b>Sector/Organisation Representing</b>
Tim George (TGeo)	Managing Authority DWP (ESF)
Andy Gibbs (AG)	Managing Authority DWP (ESF)
Ian White (IW)	Managing Authority MHCLG (ERDF)
Andrew Pickin (AP)	Business Representative
Dawn Ward (DWard)	FE Representative – Burton and South Derbyshire College
David Williams (DW1)	3WGrowth Ltd
James Whybrow (JWh)	FE Representative on behalf of Dawn Ward
Cllr Tony Ashton (Cllr TA)	Derbyshire District Council
Simon Baker (SB)	Derbyshire District Council
Rob Mayo (RM)	Rural Reference Group
Michael Henry (MH)	Community Sector
Diane Beresford (DB)	East Midlands Chamber of Commerce
Paul Harris (PH)	Rolls Royce
Cllr Simon Robinson (Cllr SR)	Rushcliffe Borough Council
Matt Easter (ME)	Sustrans

**Dates and times of next meetings**

Monday 24 September 11.30am-1.30pm – Nottinghamshire County Council (*This meeting is subject to change – members are asked to hold Thursday 18<sup>th</sup> October pending confirmation*)  
Friday 30 November 1.30pm-3.30pm – Nottingham City Council