



**D2N2 LEP Area
Minutes of the ESI Funds Sub-Committee
Nottinghamshire County Council, County Hall, West Bridgford, Nottingham, NG2 7QP.**

18 October 2018

12.30pm-2.30pm

Item	Description	Led by
1	Apologies, Minutes of last meeting (16 th July 2018)	Anna Vinsen
2	Declarations of Interest	Anna Vinsen
3	Written Procedures update (paper)	Anna Vinsen
4	Management Information Reports (papers) a) ERDF b) EAFRD c) ESF	Anna Vinsen
5	SUD Update (paper)	Jem Woolley
6	DWP and Big Lottery Contract Extensions (paper)	Richard Kirkland
7	ESFA Opt In Programme Extensions (paper)	Richard Kirkland
8	ESF Open Calls (paper)	Richard Kirkland
9	Midlands Engine Investment Fund Presentation	Lewis Stringer
10	Any Other Business	Chair

Item 1. Apologies, Minutes of last meeting (16th July 2018)

1.1 Apologies, thanks and welcomes

Apologies

The following apologies were noted:

Name	Organisation	Deputised by
Tim George	DWP - ESF MA	
Alex King Melanie Fischer	RPA – EAFRD MA	
Jane Howson	Autism East Midlands	
Dawn Ward	FE Rep	James Whybrow
Cllr Poulter	Derby City Council	Cllr Barker
Cllr King	Derbyshire County Council	Cllr Hickton
Michael Henry	Communities Inc	
Cllr Collins	Nottingham City Council	Cllr Khan
Prof Kathryn Mitchell	HE Representative	
Cllr Adair	Nottinghamshire County Council	

Thanks:

David Williams (Geldards) has tendered his resignation from the sub-committee. Thanks were given for his contribution.

Welcomes:

Elizabeth Fagan was welcomed as the new Chair.

1.2 Confirmation of the minutes 16th July 2018

AV asked for confirmation that the minutes of the last meeting were accurate.

The minutes were agreed to be accurate and were therefore approved as a true and accurate record of the meeting.

1.3 Matters arising

There were no matters arising.

1.4 Actions from the meeting 16th July

Progress of actions:

Agenda Item from 16th July 2018 meeting	Action identified from 16th July 2018 meeting	Action update at 18th October 2018 meeting
Item 1.4	An existing ERDF project to be invited to present at a future meeting.	Actioned: Presentation of the Midlands Engine Investment Fund at Item 9 on the agenda. An ERDF project to be invited to a future meeting.
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	Actioned and included in Item 3 on this agenda
Item 3c	MW to meet with DWP to discuss slippage, monitoring and outputs reporting.	MW stated that ESF performance information is included at Item 4 of this agenda.
Item 7	BBB to be invited to a future ESIF sub-committee meeting.	Actioned – Item 9 on the agenda

Item 2 Declarations of Interest

AV said that MHCLG are carrying out a refresh of the Register of Interests for the Midlands ESIF Sub-committees so that a record for 2018 is in place for each member. Declaration of Interest Forms were circulated prior to meeting, and members were reminded to send their completed forms back to the secretariat.

Declarations of Interest were taken at the beginning of the meeting and were received for the following agenda items.

Item 3	Written Procedures update (paper)	Full Application: D2N2 Growth Hub v2.0: Cllr Mick Barker, Nicola McCoy-Brown, Nicki Jenkins, Diane Beresford, Matt Wheatley, Rachel Quinn, Sajeeda Rose, Lindsay Whetton, Richard Kirkland, Cllr Neghat Khan, Cllr Hickton, Alan Smith, Full Appraisal: Munio 2: Nicola McCoy-Brown
Item 4	Management Information Reports (papers) a) ERDF b) EAFRD c) ESF	N/A
Item 5	SUD Update (paper)	Nicola McCoy-Brown, Nicki Jenkins, Cllr Neghat Khan.
Item 6	DWP and Big Lottery Contract Extensions (paper)	Diane Beresford, Nicki Jenkins, Cllr Neghat Khan, Nicola McCoy-Brown, Matt Wheatley, Richard Kirkland, Lindsay Whetton, Sajeeda Rose.
Item 7	ESFA Opt In Programme Extensions (paper)	James Whybrow Diane Beresford (regarding Investment Priority 1.1)
Item 8	ESF Open Calls (paper)	Cllr Mick Barker, Nicola McCoy-Brown, Nicki Jenkins, Diane Beresford, Matt Wheatley, Rachel Quinn, Sajeeda Rose, Lindsay Whetton, Richard Kirkland, Cllr Neghat Khan, James Whybrow, Cllr Garry Hickton

Action: Members and alternates to send completed declaration of interest forms to Yvonne.Dickinson@communities.gov.uk and Eimear.Scullin@communities.gov.uk

Item 3. Written Procedures update

Anna Vinsen (AV) provided a briefing on how Written Procedures are used and dealt with for the benefit of new members. AV then presented a paper which reported on ERDF and ESF written procedures progressed since the last meeting on 16 July 2018.

Cllr Barker reported that Cllr Poulter had written to the secretariat regarding the use of Written Procedures. AV reported that she was meeting Cllr Poulter to discuss the issues raised in his letter.

Action: AV to meet with Cllr Poulter to discuss the use of written procedure.

Item 4. Management Information Reports

4 a) ERDF – Anna Vinsen MHCLG, ERDF Managing Authority

AV provided an update paper with management information to show progress against spend and output targets at LEP area level. With particular reference to the exchange rate uplift, performance, achievement of N+3 targets, the future programme timeline and the opportunity for two further calls in October 2018 and Spring 2019. AV confirmed that the N+3 spend target had been achieved at the national, regional and D2N2 level, and that D2N2 was generally performing better than the national average.

Sub-committee members requested that future reporting focus on success rather than reporting negatively about slippage. AV agreed that successes should be celebrated, but said that it was still important to report on slippage as this represented a risk to deploying all the funds available to D2N2 and meeting associated targets.

Sub-committee members asked for clarification on the process for decommitting funds from underperforming projects. AV explained the underperformance methodology and confirmed that decommitted funds were available to be recycled into future calls. Members agreed it would be important to assess underperformance and decommit funds in time to re-deploy through the March 2019 call which is the last at D2N2 level. AV confirmed that any funds available after the March 2019 call round would be invested through a reserve fund at the national level from November 2019. Prospective applicants in the D2N2 area would be able to submit applications to this national reserve fund. A role for local ESIF sub-committees is still envisaged in providing advice on applications to the reserve fund.

4 b) EAFRD – Anna Vinsen on behalf of Alex King EAFRD Managing Authority

Alex King from the Rural Payment Agency (RPA), the managing authority for this fund who sent her apologies. AV presented the update on her behalf.

AV reported that the EAFRD calls closed in May 2018. The pipeline figures for D2N2 LEP area are summarised in the table at the back of the paper and present a positive picture.

Expressions of Interest previously considered by the D2N2 Rural Reference Group and the sub-committee have been invited to submit a Full Application and RPA are working with applicants to support them.

EAFRD received confirmation that they are now able to commit funds into 2019 and 2020 which would give applicants additional time, if needed, to prepare their application.

No further calls are currently planned.

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

Tim George from Department for Work and Pensions (DWP), the managing authority ESF sent his apologies. AV presented the ESF update on his behalf.

AV reported that DWP forecasts suggested that the N+3 target could be achieved but the target would be a challenging based on current performance. As a result, DWP reported that they are redirecting resources to concentrate on processing claims to boost the performance against the target.

Sub-committee members expressed concern regarding the lack of local data on output performance despite 33% of spend now being reported. Sub-committee members requested that evidence of local performance be provided at the next meeting.

Action: MW to talk to DWP to provide local output performance data at subsequent meetings.

Item 5 SUD Update – Jem Woolley

Jem Woolley (JW) presented an update paper on Nottingham SUD Allocation. He reported that 85% of funding had been allocated to projects. No projects have been contracted yet so no outputs or expenditure was reported.

JW reported that there are four projects in total; three at full appraisal and one invited to full application. A further call will be launched in January 2019.

The sub-committee requested clarity on the changes in the total eligible costs and ERDF value sought by the NTU Enterprise Innovation Centre. JW confirmed that there had been changes to the project which would now be delivered in two distinct phases. ERDF was only being requested for Phase 1, and therefore the total expenditure in the project had been reduced. The applicant was requesting a higher ERDF grant request and an increase in the intervention rate albeit this was within allowable thresholds. JW confirmed that a paper setting out the changes to the application and the supporting rationale had been considered at the last meeting of the SUD Committee who had agreed that the appraisal should proceed at the higher value with the opportunity given to comment on strategic fit and value for money when the appraisal is presented to the SUD committee.

In response to questions, AV provided clarification of the process for SUD applications that enabled multi priority submissions and used an intermediate body to work with the MA in the appraisal process. Nottingham City Council is the intermediate body for the D2N2 SUD and would be involved in appraisal alongside the MA.

It was noted that the SUD Committee had responsibility for providing advice on SUD applications and applications would not be considered at D2N2 ESIF sub-committee.

Item 6 DWP and Big Lottery Contract Extensions

Richard Kirkland (RK) presented the paper to provide an update on DWP and the Big Lottery Opt-in Provision. There were four contracts to be considered; one DWP Opt-in - Investment Priority 1.1, and three Big Lottery Opt-ins - Investment Priority 1.4.

DWP Opt-in - Investment Priority 1.1

Working Links – INSPIRE Local

To extend under Investment Priority 1.1 85% of the jobs target should be achieved; the current performance reflects 56% achievement. DWP are cautiously optimistic that the 85% target will be achieved by the deadline. Sub-committee members expressed concern with regard to approving funding when performance does not provide confidence that the target is achievable. Sub-committee members were advised that if the performance target is not met then a future contract beyond January 2019 would not be made available.

The sub-committee were advised that the support for a proposed extension to the contract would be required by 9th November 2018. If the committee did not approve the extension then funding would be redirected to an open call with projects providing their own match funding.

The sub-committee supported the LEP officers' recommendation to progress the opt-in contract extension if the performance criteria were met.

It was agreed that the challenges that this project has faced would provide valuable lessons learned to inform future industrial strategy and the UKSPF development.

Big Lottery Opt-in - Investment Priority 1.4 – Building Better Opportunities

The three contracts being delivered through Investment Priority 1.4 were discussed along with the challenges regarding the lag in reporting on performance and the difficulty in achieving match funding for these types of contracts. The sub-committee was concerned regarding the lack of robust data on the outputs which would be delivered through the contract extensions to 2023, and the basis on which the extension values had been calculated.

The sub-committee expressed concern at the lack of performance data being provided to sub-committee meetings. This presented challenges for the sub-committee to make confident recommendations regarding this provision.

Rachel Quinn (RQ) agreed to circulate analysis of targets identified in original applications via Written Procedures before the next meeting in November.

RK agreed to write to DWP to request performance data relating to these contracts.

The sub-committee supported the LEP officers' recommendation to progress the contract extensions for the Building Better Opportunities programmes.

Action: RQ to circulate analysis of performance data in applications via Written Procedures before the next meeting.

Action: RK to write to DWP and BLF to request performance data relating to the active contracts.

Item 7 ESFA Opt In Programme Extensions

RK presented the paper seeking sub-committee support for recommended growth amounts for individual contracts relating to Investment Priority 1.1 (two contracts), 1.2 (two active contracts) and 2.1 (two active contracts). The sub-committee previously agreed to explore the option of extending the current contracts for ESF opt in provision to March 2019. RK reported the increase in value required to cover this extended period.

The sub-committee were informed of the challenges of delivering regulated and non-regulated learning for the range of programmes in terms of the target market. It was reported that the availability of timely performance data was particularly challenging. RK agreed to provide high level performance data for the sub-committee at the next meeting. The sub-committee also registered concern regarding intelligence to show coverage across the D2N2 area. RK reported that the opt-in requires reporting by local authority and ward. This can be applied in this contract.

The sub-committee supported the recommendations of LEP Skills officers regarding the ESFA growth cases to maintain provision until March 2019 and acknowledged that the request was below the growth funding envelope.

To note; error in Paper 'Growth recommendations for continuation of ESFA opt-in provision until March 2019' section 5.3 should read "March 2019" rather than "March 2018".

Action: RK to provide high level performance data for ESFA contracts at the next sub-committee meeting.

Item 8 ESF Open Calls

RK presented the paper regarding ESF open calls in October 2018.

At the July 2018 meeting, the sub-committee supported the recommendation to follow an open call route (rather than opt-in route) for the delivery of Investment Priority 1.1. At the same meeting, the sub-committee had supported the recommendation to follow an opt in route through the ESFA for investment priority 1.2. However, ESFA had since advised that the provision sought under 1.2 could not be supported through this route. Therefore investment priority 1.2 provision is also to be sought through open call. Call documentation has now been prepared, ready for an anticipated launch date of 18 October 2018 with a ten week window for responses. RK reported that the MA was offering the option of a one stage application process. Members who had not declared an interest were asked for views.

Members of the sub-committee supported the recommendation of a one-stage application process for the ESF open call for Investment Priorities 1.1 and 1.2. It was recognised that this would reduce the time taken to appraise applications and enable a possible delivery gap to be minimised.

AV confirmed that Technical Assistance would be available to applicants.

Item 9 Midlands Engine Investment Fund –Presentation by Lewis Stringer

Lewis Stringer (LS) from British Business Bank gave a presentation on the £250m Midlands Engine Investment Fund. This ERDF backed fund provides small business loans, debt, equity and proof of concept finance to small and medium sized enterprises across the West, East and South East Midlands. It includes £11.75m from the D2N2 ERDF allocation.

Slides are attached as an appendix to these sub-committee minutes.

LS emphasised the value of investment readiness support in ensuring high quality applications. In response to a question from the sub-committee, he reported that BBB was not currently seeking to apply for additional ERDF to expand the Midlands Engine Investment Fund.

The Chair thanked Lewis for his time and his informative presentation.

Item 10 Any Other Business

There was no other business to report.

Appendix A - Actions of the Meeting

Agenda Item	Action	Action assigned to
2	Members and alternates to send completed declaration of interest forms to Yvonne.Dickinson@communities.gov.uk and Eimear.Scullin@communities.gov.uk	Members
3	AV to meet with Cllr Poulter to discuss the use of written procedure	Anna Vinsen
4c	MW to talk to DWP to provide local output performance data at subsequent meetings.	Matt Wheatley
4c	Meet with Cllr Poulter to discuss use of written procedures.	Anna Vinsen
6	Circulate analysis of performance targets identified in applications via Written Procedures before the next meeting.	Rachel Quinn
6	Write to DWP to request performance data relating to the active contracts.	Richard Kirkland
7	Provide high level performance data for ESFA contracts at the next sub-committee meeting.	Richard Kirkland

Appendix B Attendee List

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
James Whybrow (JWh)	FE Representative on behalf of Dawn Ward
Cllr Mick Barker (Cllr B)	Derby City Council on behalf of Cllr Poulter
Peter Gadsby (PG)	Ark Capital
Councillor Garry Hickton	Derbyshire County Council on behalf of Councillor Tony King
Nicki Jenkins (NJ)	Nottingham City Council
Nicola McCoy-Brown (NMcB)	Nottinghamshire County Council
Cllr Neghat Khan (Cllr NK)	Nottingham City Council on behalf of Cllr Jon Collins
Matt Easter	Sustrans
Diane Beresford	East Midlands Chambers of Commerce
Alan Smith	Derby City Council

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

Name, title and organisation	Sector/Organisation Representing
Yvonne Dickinson (YD)	MHCLG
Eimear Scullin (ES)	MHCLG
Jem Woolley (JW)	Greater Nottingham SUD
Rachel Quinn	D2N2 LEP
Lindsay Whetton	D2N2 LEP
Richard Kirkland (RK)	D2N2 LEP
Lewis Stringer	British Business Bank (for Item 9)
Sajeeda Rose (SR)	D2N2 LEP

Apologies:

Name, title and organisation	Sector/Organisation Representing
Tim George (TGeo)	Managing Authority DWP (ESF)
Melanie Fischer (MF)	Managing Authority EAFRD / RPA
Alex King	Managing Authority EAFRD / RPA
Cllr Jon Collins (Cllr JC)	Nottingham City Council
Dawn Ward (DWard)	FE Representative – Burton and South Derbyshire College
Cllr Poulter (Cllr P)	Derby City Council
Jane Howson (JH)	Autism East Midlands
Cllr Tony King (Cllr TK)	Derbyshire County Council
Cllr Reg Adair (Cllr RA)	Nottinghamshire County Council
Michael Henry (MH)	Communities inc
Prof Kathryn Mitchell	HE Representative – University of Derby

Date and Time of Next Meeting

Friday 30 November 1.30pm-3.30pm – Ashfield District Council, Urban Road, Kirkby-in-Ashfield, NG17 8DA