



D2N2 LEP Area ESI Funds Sub-Committee

**Minutes of meeting held 20th January 2017 12.30-1.30pm
at Nottingham City Council, Loxley House, Nottingham**

1	Apologies, Minutes of last meeting (17 th November) and process of actions (paper)
2	Confirmation of written procedures (verbal) 1. Derby-Nottingham Metro Biodiversity Action: Phase 1 2. ESF Opt-In Contracting
3.	National Update on ESIF Growth Programme (verbal)
4.	Management Information Reports (papers) ERDF ESF EAFRD
5.	ERDF March Calls: Specification local content – PA3 High Growth (paper)
6.	EAFRD, ERDF and ESF open Calls (verbal) updates from Technical Assistance Team and Managing Authorities
7.	Terms of Reference for ESF ‘Provider Delivery Group’ to promote effective project implementation (paper)

1. Apologies, Minutes of last meeting (17 November) and progress of actions

1.1 The Chair welcomed everyone and apologies were noted from Andrew Pickin, Caroline Bedell, Cllr Anne Western, Cllr Jon Collins, Ian Stephenson, Matthew Allbones, Peter Gadsby and Diane Simpson.

1.2 The minutes of the meeting on 17 November 2016 were considered for accuracy by the Sub Committee and one amendment was requested. Tim Gregory requested that a figure in section 4.5 be amended. The figure of £1.53M is incorrect; the remaining ESF+YEI balance under IP 1.3 is £516,000.

Barring that amendment, the minutes were approved as an accurate record of the meeting.

1.3 Actions and matters arising:

Meeting with SFA

MW confirmed that a meeting with the Skills Funding Agency (SFA) to discuss the Opt-in took place on 8th December and a paper was subsequently circulated around the Sub Committee by written procedures. The SFA outlined its processes and it was clear that they had been adhered to. These processes however did not allow for local input. There was a clear choice facing D2N2; either withdraw from the procurement or go ahead. The Sub Committee had made it clear that it wished to continue and therefore this will be the course of action. The proposed Provider Delivery Group will help ensure success.

Cross Cutting Theme note and plan

ME gave some background to the issue, namely that all applicants have to outline plans to satisfy the sustainability and equality themes. ME questioned what mechanisms are in place to monitor this and how to effectively work with the Managing Authorities (MAs)

MH underlined the need for access to the data in order to achieve this.

IW confirmed that LEP officers have been put in contact with national MA contacts to discuss the approach D2N2 can take to ensure consistency.

MW noted that there were two separate issues to consider; the promotion of good practice in this area which is on-going and access to the data and monitoring information which is a national issue.

ACTION: To discuss progress at the next Sub Committee meeting

Other matters arising from the minutes

SG requested an update on concerns raised at the previous meeting under section 5.6. i.e. that the conversion rate of outputs for the Inspire Local programme was much higher than the guidance recommends.

MW responded that managing this programme was about managing the whole programme rather than just the outputs. He stated that its viability would then become clear.

2. Confirmation of written procedures

2.1 Derby-Nottingham Metro Biodiversity Action: Phase 1

IW informed the Committee that DCLG had written to the applicant and was in the process of drafting the Funding Agreement. It was noted that a number of Committee members have an interest in the application; however no further comments were forthcoming.

2.2 ESF Opt-In Contracting

MW informed the Committee that all projects are contracted and now in delivery phase.

3. National Update on ESIF Growth Programme

3.1 Ian White, DCLG, ERDF Managing Authority

IW noted that the Autumn Statement had taken place since the last meeting which confirmed, as expected, that the ESIF programme will run until the UK leaves the EU. Planning was now taking place along those lines, with a focus on call management and maximising commitment. IW also informed the Committee that ESIF application and appraisal forms were being

amended to reflect the greater emphasis on value for money and domestic priorities and further guidance will be issued in due course. This will also involve an enhanced role for the Committee around value for money and local strategic fit.

3.2 Tim George, DWP, ESF Managing Authority

TGeo informed the Committee that he was seeking an answer regarding the status of Opt-ins for second half of programme and would inform the Committee once he received a response.

3.3 Roger Allonby, DEFRA/RPA EAFRD Managing Authority

RA informed the Committee that calls for EAFRD projects under Business Development, Tourism Infrastructure and Food Processing go live on Wednesday 25th January; please see the EAFRD Update Paper under item 4 for call values and priorities. All calls nationally have been reduced by around 8% (£120m allocated, £131m was requested). RPA will ask the Treasury to 'top up' this amount in April/May. RA noted that he had been working with LEP to organise workshop sessions with local partners to promote calls and advise potential applicants. There will also be a Tourism Co-operation call in the spring, as well as a national Countryside Productivity (agri/ forestry competitiveness) grant scheme.

DW1 Raised concerns regarding the time taken to pay ERDF claims, following feedback received by the Growth Hub.

IW informed the Committee that ERDF claim payments can be expedited if necessary and that Grant Recipients should be contacting their MA Contract Officer to highlight any payment problems. No payments are being withheld, but a manual system is in place until the E Claims system is live. If Committee members are aware of any issues please can they contact IW directly.

TGeo requested that any ESF Grant Recipients with similar problems contact the MA.

4. Management Information Reports

4.1 ERDF

IW gave an overview of the position for each ERDF Priority Axis which can also be found in the accompanying paper.

PA 1 76.6% of the current PA1(Innovation) allocation has been programmed against three live projects (£14m ERDF), which are forecast to meet both the 2018 and 2023 output and financial target with significant headroom. IW informed the Committee that he will liaise with MW to discuss the possibility of a call later in the year to utilise the remaining commitment under this Priority.

PA2 The current live PA2 project will not deliver the 2018 output target of additional businesses with broadband access of at least 30mpb. A broadband infrastructure call was launched in December 2016 responding to this need.

PA3 commitment is 90.2% (£31.4m) of the priority axis allocation (£34.8m). All eleven projects are now live worth £25.9m. A further £5.5m is ring-fenced for Sustainable Urban Development

(SUD) in Greater Nottingham. PA3 is forecast to meet both the 2018 and 2023 output and financial targets.

£9.3m (41%) of the current **PA4** (low carbon) allocation of £22.6m has been programmed against three live projects (£5.9m ERDF), and the Sustainable Urban Development for Greater Nottingham (£3.5m). The 3 live projects would ensure D2N2 meet the 2018 output target, but only achieve 9% of the 2023 output target. D2N2 would also miss the 2018 financial target. A PA4 Low Carbon Call was launched in December 2016 responding to this need. This call would be a rolling call with assessment undertaken at various times during the year. Call periods May/July time. Mop up some demand. IW stated that he had concerns around PA4 regarding whether the right projects were coming forward.

£3.15m (63.7%) of the current **PA5** (Climate Change) allocation of £4.9m has been programmed against 1 project. This project would ensure D2N2 achieve the financial target for 2018, but would only achieve 15% of the 2018 D2N2 output target. It is expected the project will be contracted very soon.

£4.48m (93.9%) of the current **PA6** (Environment & Resource Efficiency) allocation of £4.8m has been programmed against 2 projects. These projects would ensure D2N2 achieve the financial target for 2018 and achieve 276% of the 2018 output target.

IW concluded that overall ERDF commitment in D2N2 was in a healthy position apart from PAs 2 and 4 which it was hoped could be addressed through active call management. He informed the Committee that in 2017 there would be up to four call periods in March, May, July, Nov/Dec.

ACTION: IW and MW to produce a timetable of future calls.

CH gave the Committee an update on the SUD, noting that the final set of comments from DCLG had been received and that he was hopeful that the strategy would soon be signed off, allowing for calls within a few months. The focus will be on business support, innovation and low carbon. CH also raised concerns about the funding agreement approval process and made a plea for simplification.

IW responded that more time could be given for processes such as getting cabinet sign-off if the applicant contacts him directly.

4.2 ESF

TGeo informed the Committee that a monthly telekit with director of ESF has been put in place so that he was able to feedback process concerns.

TGeo asked members to note the accompanying paper and drew their attention to two particular points:

IP 2.2 has 100% of allocation remaining while all other IP's have around half of their allocation remaining except IP1.3 which has only 7% of its allocation remaining.

YEI call is now live with a value of £516,000 and will close after 8 weeks from 16th January 2017.

4.3 EAFRD

RA asked the members to note the accompanying paper, particularly the final page which covers individual applications.

He highlighted the following point:

Business Development Applications; 23 projects were invited to submit a full application in response to this call. Of these, 12 full applications were received with 4 having been contracted.

Tourism Co-operation Applications; Two full applications were received in response to this call, one of which was rejected.

RA also informed the Committee about changes that had been made to the application process in order to encourage uptake, such as longer call periods and shorter application forms.

MW asked whether it was expected that there would be an EAFRD underspend.

RA responded that he expected to underspend by about a 1/3 but that this would be available for re-allocation.

MW requested a conversation regarding a forward plan for EAFRD calls to prevent an underspend.

ACTION: MW and RA to discuss EAFRD forward programme.

5. ERDF March Calls: Specification local content – PA3 High Growth (paper)

MW introduced the accompanying paper by noting the current healthy funding commitment for PA3 and stating that the focus was shifting to looking at re-visiting areas where there are gaps. One of these areas within PA 3 is around high-growth business support. This had been identified through feedback to the Growth Hub and had been made more acute by the end of the Business Growth Service. It was proposed that D2N2 open a PA3 call in March around high growth business support and MW asked the Committee to comment on and approve the local Call Specification content, as included in his paper.

DW1 highlighted two important areas, identified through the Growth Hub; getting the correct diagnostic service and access to management coaching and mentoring.

MW asked the Committee to note that the number of assists would not show good value for money, but the number of jobs created would.

PR questioned whether the minimum bid level had to be £500k, considering the call was for £700k.

IW confirmed there was no flexibility to lower this minimum threshold.

Following this discussion, the Sub Committee APPROVED advice to DCLG to open a call under PA3 for £700,000

6. EAFRD, ERDF and ESF open Calls (verbal) updates from Technical Assistance Team and Managing Authorities

6.1 ERDF

IW informed the Committee that the MAs were working together to co-ordinate calls and advice to attract good quality applications.

6.2 ESF

TGeo re-iterated that there were 5 calls open in December and January, for which 7 applications had been received. 2 projects had requested amounts that exceeded the call value and therefore the Committee could increase the call allocation at outline stage. Outline assessments were due by the middle of February and could be considered through written procedures if the Committee so wished.

6.3 MW highlighted the Technical Assistance programme and stated that there was greater capacity to support applicants through running events and online resources. He stressed the importance of getting high quality applications in this final year to maximise spend.

7. Terms of Reference for ESF 'Provider Delivery Group' to promote effective project implementation (paper)

MW reminded the Committee that all of the live Opt-in programmes were intended to provide a coherent pathway and add value to each other. Therefore he proposed bringing all ESF-funded providers together into a delivery group work together to prevent duplication and add value. The aim would be to meet bi-monthly and include local partners to inform delivery.

The approach was endorsed by Cllr DM and SG

The Sub Committee therefore APPROVED formation of an ESF Provider Delivery Group to support the successful delivery of the ESF Programme.

8. AOB

Cllr Blaney requested that the timing of D2N2 Board and ESIF SC meetings was carefully considered to ensure optimum use of members' time.

Annex A

List of Agreed Actions from 17 November 2016 D2N2 LEP Area Sub-Committee Meeting

Agenda Item	Action	Action Assigned to
1.3	To discuss progress Cross Cutting themes at the next Sub Committee meeting	MW
4.1	To produce a timetable of future ERDF calls	IW and MW
4.3	To discuss EAFRD forward programme.	MW and RA

Annex B

Attendee list

Chair & Deputy Chair:

Name, title and organisation	Sector/Organisation Representing
Peter Richardson (PRich)	D2N2 LEP
Ian White (IW)	Managing Authority ERDF (DCLG)

Sub-Committee Members:

Name, title and organisation	Sector/Organisation Representing
Adrian Smith (AS)	Nottinghamshire County Council
Chris Henning (CH)	Nottingham City Council
Cllr Diana Meale (Cllr DM)	Nottinghamshire County Council
David Williams (DW1)	Butt Foods
David Williams (DW2)	Geldards
Ian Morgan (IM)	Business Representative / Wellglade
Matthew Easter (ME)	Sustrans
Melanie Ulyatt (MU)	Federation of Small Businesses (Nottinghamshire and Derbyshire)
Michael Henry (MH)	Equalities and Inclusion representative

Paul Robinson (PRob)	Derby City Council
Prof. Edward Peck (EP)	Higher Education representative / Nottingham Trent University
Rob Johnston (RJ)	Trade Union Congress
Sonja Smith (SS)	Derbyshire County Council
Stuart Cutforth (SC)	FE representative / Chesterfield College
Sylvia Green (SG)	Rural Action Derbyshire

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

Name, title and organisation	Sector/Organisation Representing
David Ralph (DR)	D2N2 LEP
Hannah Golding (HG)	Managing Authority ESF (DWP)
Lindsay Allen (LA)	D2N2 LEP
Matthew Wheatley (MW)	D2N2 LEP
Roger Allonby (RA)	Managing Authority EAFRD (RPA / DEFRA)
Sally Dyson (SD)	Managing Authority ERDF (DCLG)
Tim George (TGeo)	Managing Authority ESF (DWP)
Yvonne Dickinson (YD)	Managing Authority ERDF (DCLG)

Apologies:

Name, title and organisation (7 people)	Sector/Organisation Representing
Andrew Pickin (AP)	Business Representative
Caroline Bedell (CB)	CLA Midlands
Cllr Anne Western (AW)	Derbyshire County Council
Cllr Jon Collins (Cllr JC)	Nottingham City Council
Cllr Martin Rawson (Cllr MR)	Derby City Council
Diane Simpson (DS)	East Midlands Chamber
Ian Stephenson (IS)	Derbyshire County Council
Matthew Allbones (MAII)	Equalities and Inclusion representative / Derby Citizens Advice and Law Centre

Peter Gadsby (PG)	Ark Capital
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