



**D2N2 LEP Area  
ESI Funds Sub-Committee  
Minutes of the meeting held on 10<sup>th</sup> March 2017 11.30-1.00pm  
Derby Velodrome, Pride Parkway, Derby DE24 8JB**

<b>Item</b>	<b>Description</b>
1	Apologies, Minutes of last meeting (20 <sup>th</sup> January) and process of actions (paper)
2.	National Update on ESIF Growth Programme (verbal)
3.	Greater Nottingham Sustainable Urban Development - Progress Update
4.	Management Information Reports (papers) ERDF ESF EAFRD
5	ERDF: Full Appraisal Reports- Open Calls April 2016 Project MUNIO (PA5) (paper)
6.	EAFRD Expressions of Interest (papers)
7.	ESF Outline Assessments: Open Call 2016 (papers) a) Developing Sector Growth (IP 2.1) b) Enterprise Innovation and Pathways (IPs 1.1 & 2.1) c) Higher Skills Development (IPs 2.1 & 2.2)
8.	Any Other Business

**1. Apologies, Minutes of last meeting (20<sup>th</sup> January) and process of actions**

1.1 The Chair welcomed everyone and apologies were noted from Cllr Anne Western, David Williams, Sylvia Green, Mike Carr (Dan King attending on his behalf), Cllr Roger Blaney, Cllr Jon Collins, Ian Morgan, Andrew Pickin, Melanie Ulyatt, David Williams (DW1).

It was noted that Stuart Cutforth was no longer in post and a new FE representative would be advised before the next meeting.

It was also noted that Caroline Bedell had withdrawn as the Rural Reference Group Representative for the sub-committee. The chair thanked Caroline for her contribution to the sub-committee and welcomed Rob Mayo the new Rural Reference Group Representative to the meeting.

1.2 The minutes of the meeting on 20 January 2017 were considered for accuracy by the sub-committee.

**The minutes were approved as an accurate record of the meeting.**

1.3 Matters arising not on the agenda– It was reported that cross cutting themes required further development and monitoring to enable promotion and good practice. LEP officers would be working closely with DWP and DCLG to progress this area.

1.4 Item 3 of the agenda *Greater Nottingham Sustainable Urban Development - Progress Update* was deferred to later in the agenda when Chris Henning would be in attendance to deliver the update.

1.6 Declarations of Interest were noted for Dan King, Chris Henning and Cllr Martin Rawson for Item 7 on the agenda.

**2. National Update on ESIF Growth Programme**

**2.1 Ian White DCLG, ERDF managing authority**

IW – reported that initial discussions had started in government around any future local economic development policy. There was a commitment to engage with stakeholders in any consultation around the future approach.

**3. Greater Nottingham Sustainable Urban Development - Progress Update**  
(deferred and reported as item 8 later in the sub-committee minutes.)

**4. Management Information Reports (papers)**

**4.1 ERDF Ian White DCLG, ERDF managing authority**

IW provided the sub-committee with MI to show progress against spend and output targets at the LEP area level.

Progress was reported as follows:

- 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.
- 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; however no interest was

generated in this Call. Ian White submitted a proposal to the managing authority to move resource (and associated performance target) from 2A to 2B.

- PA3 commitment is 74.3% (£25.9m) 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 and 5 applications were received worth £9.9m at the first Call review point in February 2017.
- £3.15m (63.6%) 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 was noted that there was PA5 project that would be discussed later in the agenda.
- £4.4m (92.1%) 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.

DCLG would work with D2N2 LEP officers to ensure there was a future programme of call activity in 2017 to maximise the ERDF Programme of activity across the D2N2 area before the UK left the European Union.

**ACTION The sub-committee agreed that the PA2 changes were to be taken forward to Growth Programme Board in March 2017 and then onwards for EC approval.**

#### 4.2 ESF Tim George Managing Authority DWP

ESF MOU's had been signed with Opt Ins to a value of £1.15Bn with a further £836M in onward procurement.

Direct Bids to the value of £120M have been agreed.

As a result, 47% of the ESF funding has been committed at this stage.

The complexity of claims has been acknowledged by the managing authority and revisions to the claims process will be communicated. Further support regarding claims will also be provided to applicants at the Project Inception Visit (PIV).

#### 4.3 EAFRD Roger Allonby (RA) managing authority RPA/ DEFRA

RA provided members with an update on the EAFRD Growth Programme in particular:

- National position on EAFRD
- New EAFRD Growth Calls in the D2N2 area
- Summary of Expressions of Interest submitted to date
- Update on Round 1 projects.

The accompanying paper 4 provided an update on local and national delivery of the EAFRD element of the ESIF Programme.

Three EOIs were to be considered later on the agenda (item 6) at this meeting with workshops being delivered to promote calls for businesses in Derbyshire.

Future calls were planned with the possibility of high volumes of project applications being submitted. RA agreed to feedback to the committee on the future EAFRD call timetable, flexibilities and approach to broadband following ministerial clarification of relevant matters.

MW suggested that recommendations on projects could be made outside of the sub-committee by the Rural Reference Group (RRG). MAll asked if there was a value threshold for EAFRD applications that could be used to decide which go to sub-committee. The Committee agreed that the RRG would consider all EAFRD bids received and the Chair of RRG (Rob Mayo) and the Chair of the ESIF sub committee (Peter Richardson) would sign off advice for projects requesting less than £100,000 EAFRD. It was also agreed that advice for projects over £100,000 EAFRD would go to the sub-committee by Written Procedures.

**ACTION The sub-committee agreed that applications under the £100,000 threshold could be signed off by the chair of RRG and chair of sub-committee. Projects over £100,000 will be considered by the sub-committee using written procedures.**

4.4 There was discussion on Superfast Broadband and the possibility of other mobile technology solutions. A workshop planned for 20 March 2017 would aim to provide an opportunity to discuss options. Sub-committee members would be welcome to attend.

#### 5. **ERDF: Full Appraisal Reports- Open Calls April 2016 Project MUNIO (PA5)**

IW presented the Munio project to be delivered over a 2.5 year period by Derby City Council and recommended that even though C23 Outputs were low for this PA5 project the recommendation was to approve the project.

IW would meet with the project on 13/03/2017 to discuss vfm and outputs for a potential stage 2 project.

**The ESIF sub committee advised that the Munio project had a strong strategic fit.**

## 6. EAFRD applications

6.1 RA presented 3 applications for consideration with project Expressions of Interest as supporting papers 6.1 Hallcraft Developments, Stoney Middleton An EOI to establish a new rural business in the centre of Stoney Middleton Village. Request is for £170k grant against £1m total project creating 31 FTE jobs.

The committee were advised by LA that the project EOI meets strategic fit requirements.

MW stated that there will be a check to ensure the applicant will run the business as a premises/café.

**The ESIF sub committee advised that the project had a strong strategic fit.**

6.2 Thirkelow, Arts and Crafts Studio, Newbury in the Peak to enable a new business start up offering art and craft courses on the edge of the Peak District, South of Buxton in Derbyshire. The project is requesting £134k grant against a total of £335k project funding and will create 2.6 FTE jobs, achieve £100k turn over by year 3 off the new business and deliver 900 extra tourist days a year.

The committee were advised by RA that the project EOI meets strategic fit requirements.

**The ESIF sub committee advised that the project had a strong strategic fit.**

6.3 Newburgh Engineering Co Ltd, Newburgh in the Peak based in Bradwell, Derbyshire.

The project will construct a Machining Centre and invest in new equipment which specialises in precision engineering. The project is requesting £134k grant against a total of £1,035m project funding and will create 7 FTE jobs and additional turn over of £700k.

The committee were advised by RA that the project EOI meets strategic fit requirements.

**The ESIF sub committee advised that the project had a strong strategic fit.**

RA advised that a further project had been rejected at EOI stage as the applicant had already applied for Leader Funding.

## 7.0 ESF Outline Assessments: Open Call 2016 (papers)

Declaration of Interest were noted from Dan King – Nottingham Trent University and Chris Henning Nottingham City Council and Cllr Martin Rawson Derby City Council for this item.

MW presented 7 bids over 5 calls serving 3 Priority Axis:

- a. Developing Sector Growth (IP 2.1)
- b. Enterprise Innovation and Pathways (IPs 1.1 & 2.1)
- c. Higher Skills Development (IPs 2.1 & 2.2)

#### 7.1 Project Title: Access to Construction

Priority Axis 1.1: Developing Sector Growth

Applicant: City College Nottingham

ESIF Applied for: £151,500

Overall, it was suggested that this project is a WEAK strategic fit and should only be invited to come forward if there is financial capacity after more highly rated applications have been invited to come forward. All issues and conditions around deliverability should then be addressed at final application stage.

**The sub-committee were supportive of the recommendation NOT TO APPROVE the project to progress to full application.**

#### 7.2 Project Title: Move Ahead

Priority Axis 1.1: Developing Sector Growth

Applicant: Nottingham City Council

ESIF Applied for: £452,609

MAII expressed concern that the project seemed to be very local in terms of geography rather than identifying and filling gaps from within the full D2N2 LEP area; and secondly could duplicate provision.

CH – on a point of clarification confirmed that the project would cover the whole of the D2N2 area.

TGeo- confirmed that the managing authority would insert a condition to ensure the concern regarding the duplication of provision is addressed at the Full Application stage.

Overall this is a bid that seeks to build on existing local partnerships and overall has a MEDIUM strategic fit. Advise to INVITE TO FULL BID with conditions .

**The sub committee were supportive of the recommendation TO INVITE TO FULL BID with outline conditions.**

#### 7.3 Project Title: Stay Ahead

Priority Axis 2.1: Developing Sector Growth

Applicant: Nottingham City Council

ESIF Applied for: £651,623

Overall this is a bid that has a MEDIUM strategic fit. Advise to INVITE TO FULL BID with conditions stated by the managing authority.

**The sub committee were supportive of the recommendation TO INVITE TO FULL BID with outline conditions.**

7.4 Project Title: Pathways to Employment in Derby

Priority Axis 1.1: Enterprise, Innovation & Pathways

Applicant: Derby City Council

ESIF Applied for: £500,140

Overall, a coherent bid with a MEDIUM strategic fit. Advise to INVITE TO FULL BID with conditions stated by the managing authority.

**The sub committee were supportive of the recommendation TO INVITE TO FULL BID with outline conditions.**

7.5 Project Title: GetAhead

Priority Axis 1.1: Enterprise and Innovation Pathways

Applicant: Nottingham City Council

ESIF Applied for: £841,169

Overall this is a bid that seeks to build on existing local partnerships and overall has a MEDIUM strategic fit. Advise to INVITE TO FULL BID with conditions stated by the managing authority.

**The sub committee were supportive of the recommendation TO INVITE TO FULL BID with outline conditions.**

7.6 Project Title: Priority Skills for D2N2 SMEs

Priority Axis 2.1: Higher Skills Development

Applicant: Nottingham Trent University

ESIF Applied for: £966,025

Overall this is a bid that seeks to build on existing local partnerships and overall has a MEDIUM strategic fit. Advise to INVITE TO FULL BID with conditions stated by the managing authority

**The sub committee were supportive of the recommendation TO INVITE TO FULL BID with outline conditions.**

7.7 Project Title: Grads for D2N2

Priority Axis 2.2 Higher Skills Development

Applicant: Nottingham Trent University

ESIF Applied for: £2,876,228

Overall this is a bid that seeks to build on existing local partnerships and overall has a STRONG strategic fit. Advise to INVITE TO FULL BID with conditions stated by the managing authority.

**The sub committee were supportive of the recommendation TO INVITE TO FULL BID with conditions.**

## **8. Greater Nottingham Sustainable Urban Development Progress Update**

### **8.1 Chris Henning Nottingham City Council**

CH updated the meeting on SUD strategy which had been approved by DCLG. The Strategy provided for ERDF spend worth [12.565m Euros] in the Nottingham Primary Urban Area on projects within themes of ICT, Low Carbon and SME Competitiveness.

In keeping with the national position, Nottingham City Council would act as Intermediate Body, responsible for defining call specifications and assessing local strategic fit.

It was proposed that the ESI Funds sub-committee receive regular reports from the Intermediate Body to ensure fit between the SUD Strategy and wider ESIF Strategy.

Call for applications were likely to be promoted in May 2017.

IW congratulated NCC and CH on this SUD strategy being in the first wave of national approvals.

**ACTION It was agreed that reports on SUD s would be included as an agenda item for the sub-committee at future meetings.**

## **9. Any Other Business**

There was no AOB.

The meeting closed at 12:50pm

## Annex A

Agenda item	Actions	Action assigned to
1	It was agreed that reports on SUD would be included as an agenda item for the sub-committee for future meetings.	DCLG
2	The sub-committee agreed that the PA2 changes were to be taken forward to Growth Programme Board in March 2017 and then onwards for EC approval.	IW
3	The sub-committee agreed that applications under the £100,000 threshold could be signed off by the chair of RRG and Chair of sub-committee. Projects over £100,000 will be considered by the sub-committee using written procedures.	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
Rob Mayo (RM)	Development Director at the Welbeck Estate and Chair of the D2N2 Rural Reference Group (new rep replacing Caroline Bedell)
Matthew Allbones (MAII)	Derby Citizens Advice and Law Centre
Rob Johnston (RJ)	Trade Union Congress
Tim George (TGeo)	Managing Authority ESF (DWP)
Dan King (DK)	Nottingham Trent University / HE (representing Mike Carr)

Roger Allonby (RA)	Managing Authority EAFRD (RPA / DEFRA)
Cllr Diana Meale	Nottinghamshire County Council
Cllr Martin Rawson (MR)	Derby City Council
Matthew Easter (ME)	Sustrans
Ian Stephenson (IS)	Derbyshire County Council

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

<b>Name, title and organisation</b>	<b>Sector/Organisation Representing</b>
David Ralph (DR)	D2N2 LEP
Lindsay Allen (LA)	D2N2 LEP
Rachel Quinn (RQ)	D2N2 LEP
Matthew Wheatley (MW)	D2N2 LEP

**Apologies:**

<b>Name, title and organisation</b>	<b>Sector/Organisation Representing</b>
Stuart Cutforth (SC)	Chesterfield College (withdrawn as FE rep)
Caroline Bedell	CLA Midlands (withdrawn as a member replaced by Rob Mayo)
Cllr Anne Western (AW)	Derbyshire County Council
David Williams (DW2)	Geldards
Sylvia Green (SG)	Rural Action Derbyshire
Mike Carr (MC)	Nottingham Trent University / HE
Cllr Roger Blaney	Leader NSDC
Cllr Jon Collins (Cllr JC)	Nottingham City Council
Ian Morgan (IM)	Business Representative / Wellglade
Andrew Pickin (AP)	Business Representative
Melanie Ulyatt (MU)	Federation of Small Businesses (Nottinghamshire and Derbyshire)
David Williams (DW1)	Butt Foods