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Growth Programme for England

**D2N2 LEP Area
ESI Funds Sub-committee
Friday 31st January 2020
12.30pm – 2.30pm**

**Venue: NE Derbyshire District Council, 2013 Mill Lane, Wingerworth, Chesterfield, S42
6NG**

Item	Description
1	Welcome and Apologies Minutes of last meeting (19 th November 2019)
2	Actions from last meeting Written procedures
3	Revised Terms of Reference and Declarations of Interest
4	Management Information Reports a) EAFRD b) ERDF c) ESF
5	ESF Full Appraisal: IProgramme IP1.1
6	ESF Full Appraisal: IProgramme IP2.1
7	ESF National Reserve Fund Call Schedule
8	Any Other Business

Item 1. Welcome and Apologies, Minutes of last meeting (19th November 2019)

1.1 Welcome and Apologies

The following apologies were noted:

Name	Organisation	Deputised by
Emma Rigler	Laing O'Rourke	
Rob Johnson	TUC Midlands	
Jayne Mayled	True Story UK	

1.2 Minutes of last meeting (19th November 2019)

The Chair (EF) 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.



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Item 2. Actions from last meeting

2.1 Actions from the meeting 19th November 2019

Progress of actions:

Agenda Item from 19th November 2019 meeting	Action identified 19th November 2019 meeting	Action update at 31st January 2020 meeting
2.1	ESF MAs to meet D2N2 LEP Chair and Board members	Tim George contacted D2N2 LEP Chair and date of meeting TBC.
7	Derby Nottingham Metro Biodiversity project invited to present at a future sub-committee meeting.	Derby Nottingham Metro Biodiversity project have agreed to present at the next ESIF sub-committee on 31 st March 2020.

2.2 Written Procedures update

AV reported that one written procedure was circulated in December which related to the ESF Technical Assistance project. Four responses were received of which one declared a conflict of interest; the other three were in support of the project. Members were informed that a funding agreement had been issued.

2.3 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
1	Welcome and Apologies Minutes of last meeting (19 November)	N/A

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2	Actions from last meeting and written procedures	N/A
3	Revised Terms of Reference and Declarations of Interest	N/A
4	Management Information Reports a. EAFRD b. ERDF including SUD Update c. ESF	N/A
5	ESF Full Appraisal: <i>IProgramme IP1.1</i>	None
6	ESF Full Appraisal: <i>IProgramme IP2.1</i>	None
7	ESF National Reserve Fund Call Schedule	Rachel Quinn – D2N2 LEP Richard Kirkland – D2N2 LEP Will Morlidge – D2N2 LEP Sajeeda Rose – D2N2 LEP Diane Beresford – East Midlands Chamber Jane Howson – Autism East Midlands Frank Horsley – Derbyshire County Council Prof. Warren Manning – HE Representative (University of Derby) James Whybrow – FE Representative (Nottingham College) Jem Woolley – Nottingham City Council Cllr Neghat Khan – Nottingham City Council Nicki Jenkins – Nottingham City Council Cllr Gary Hickton – Derbyshire County Council Cllr Reg Adair – Nottinghamshire County Council Nicola McCoy-Brown – Nottinghamshire County Council Elisa Zamora – Derby City Council
8	AOB	None

Item 3. Revised Terms of Reference and Declarations of Interest

Anna Vinsen (AV) provided an update regarding the Terms of Reference which had been updated December 2019. This specifically pertained to the management of Declarations of Interest. The main change was that once in a 12-month period, the ERDF Managing Authority (MA) are required to review the register of interests by asking that members restate their interests to make sure that these are up-to-date and reflect any changes. An email was sent to members on 27/01/2020 requesting completion of a Declaration of Interest form which needs to be completed and returned by 28/02/2020. Members were advised to



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consider the organisational and personal interests of themselves and/or immediate family which may create a possible conflict of interest, or to state if they had no interest.

Members were also asked to state if they had a conflict of interest at each advice item throughout the meeting.

Action: All members and attendees to send declarations of interest forms to secretariat by 28 February 2020.

Item 4. Management Information Reports

4a) EAFRD – Chris Franklin (CF), Rural Payments Agency

CF provided an update as follows:

In the D2N2 LEP area 24 Full Applications were received, and all had been received or withdrawn. Fourteen projects had been approved and contracted to date, with a total grant value of £1.93m offered.

Locally RPA held three expression of interest (EOI) workshops at the Nottingham office. The LEP scheduled five EOI workshops during December and January across the LEP area and invited RPA to attend. The National Calls would close on midnight 16/02/2020. There had been a reasonable level of response to the National Call and approximately seven-hundred EOIs had been received so far. It was predicted that this number should rise to thirteen-hundred nationally. It was noted that the EOI window is only open for three months but has previously been eighteen months.

RPA and Defra opened National Calls under Round 3 of the EAFRD Growth Programme in Food Processing, Business Development and Rural Tourism Infrastructure on 04/11/2019. Members noted disappointment that there were no EOIs through the Food Processing strand and queried why this was the case. CF noted that the call was recently opened, and so there is an expectation that this may increase before the end of the call deadline. It was suggested that awareness of the calls was proliferated by the farming press, and the emphasis was not necessarily pushed through a Farming angle.

4b) ERDF – Anna Vinsen (AV), ERDF Managing Authority

AV provided an update as follows:

The ERDF MA wrote to all applicants to inform them that despite the UK leaving the EU, all programmes would remain the same; there would be no changes to governance structures or regulations.

At the last ESIF sub-committee on 19/11/2019, nine outline applications were selected. Feedback meetings were held with all applicants in December 2019, and an applicant workshop took place in January 2020, in conjunction with Technical Assistance colleagues, to help applicants prepare appraisal ready applications. Good feedback was received, and the ERDF MA hoped that as a result of the session they would receive better quality applications. Extension projects have until 21/02/2020 to submit Project Change Requests. The two new projects have a deadline of 06/03/2020 to submit full applications.



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It was reported that two projects are currently in appraisal and the others are live or in contracting. AV provided assurance that ERDF is being delivered strongly across the country and there is confidence that the spend target will be met. AV said that draft call templates for the Reserve Fund have been reviewed by the Performance and Dispute Resolution Sub Committee, but a timetable for the call launch had not yet been established. It was noted that the ERDF programme value had been reduced as a result of variances in the Euro-Sterling exchange rate. Consequently, the Growth Programme Board had discussed the proposal for remaining funding in Midlands LEPs ERDF allocations to go into the Midlands Engine Investment Fund prior to the formation of the Reserve Fund. It had been decided instead that the proposal to uplift the ERDF contributions in the Midlands Engine Investment Fund would be considered alongside other applications through the Reserve Fund. AV noted that the MA would write formally to partners shortly to confirm this.

Jem Woolley (JW) provided a Sustainable Urban Development (SUD) update as follows:

There is one live project under the SUD strategy which is the Enterprise and Innovation Centre; this is being delivered by Nottingham Trent University predominantly under PA3 but does include some spend under PA2 and PA4.

Since the last meeting, the Nottingham Incubators project which was at the full stage had been withdrawn by the applicant, Nottingham City Council. The Calverton Enterprise Units project from Gedling Borough Council had been rejected after appraisal. The funding allocated to these projects had been returned to the SUD allocation. Members were informed that no other applications are being processed currently under the SUD strategy. All remaining funds had been made available through the last Nottingham SUD call which launched on 22/01/2020 and will close on 10/03/2020. There is a workshop scheduled at D2N2 on 10/02/2020; interest has been registered. It was reported that there is a good pipeline of applications due to come forward which are spread evenly over priority axes. Nottingham City Council are optimistic that they will receive applications for most of the funding and will look at the quality of applications when submitted. It was noted that this will be the last call, and any unallocated funds will go to the Reserve Fund. Members enquired if any remaining ERDF in the SUD allocation after the call could go into the Midlands Engine Investment Fund rather than the Reserve Fund.

Action: AV to investigate and provide a response.

4c) ESF –Tim George (TGeo), ESF Managing Authority

TGeo reported that seven calls had closed with a single application against each. These are currently in appraisal and will return to the ESIF sub-committee when completed. TGeo noted that due to a technical error on E-Claims the update report had underreported the number of applications under one call: there were two applications against IP1.4; not one. The MA apologised, and this had been resolved quickly. There were three live calls and one of these closed 28/01/2020. Numbers of applications would be known in due course.

TGeo reported that the Deputy Director Catherine Blair had moved on, and Geoff Hawker had joined from the Department for Transport to take up that role.

National Lottery Community Fund Opt In extensions had all been approved by the MA. The ESFA will be informing LEPs of any potential for contract extensions very soon and, because



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these will be funded from the Reserve Fund , would not be returned for ESIF comment in line with the agreed RF principles.

Action: TGeo to write to LEPs to confirm that they agree with this approach.

Members queried what would happen at the end of the 14-20 Programme, given the current year. AV responded that ERDF could be spent up to June 2023, and that although there is an intention to contract all projects by December 2020 there is no regulatory requirement to do so.. ESIF MAs are awaiting clarity from the current government with regards to UKSPF. A White Paper on Devolution and Growth was expected to be released later in the year, but there was no other news at present. Members would be updated when the ESIF MAs are informed.

CF noted that the EAFRD MA had decided that 31 December 2020 would be the last date for contracting due to the relatively small size of the projects. .

TGeo stated that the ESF Reserve Fund is in operation. The first Reserve Fund Call is live (not in the D2N2 area). For calls that have closed and are oversubscribed, a proposals to use the Reserve Fund to cover the additional funds required could be submitted by a LEP. IN D2N2 one call was competitive and was oversubscribed by £267k. Members agreed that the LEP should submit a proposal to the Reserve Fund via the ESF MA. This would give Members the opportunity to fund all applications against the call if it was felt that they were complimentary and met strategic fit and value for money considerations. Sub-Committee comments would be requested when the appraisals reached the relevant stage.

Action: TGeo to send the Reserve Fund templates to Richard Kirkland and support as required.

Item 5. ESF Full Appraisal: iProgramme IP1.1

TGeo presented the full project appraisal paper seeking ESIF sub-committee advice for iProgramme 1.1. Sub-committee advice details can be found in Annex 01.

Item 6. ESF Full Appraisal: iProgramme IP2.1

TGeo presented the full project appraisal paper seeking ESIF sub-committee advice for iProgramme 1.2. Sub-committee advice details can be found in Annex 01.

Item 7. ESF National Reserve Fund Call Schedule

Richard Kirkland (RK) informed members that the ESF MA asked LEPs to prepare a call schedule to utilise the remaining £390.6m ESF which is to be pooled into one national pot. Specifically, it would aim to invest the full value of the ESF value to maximise local growth, employment, education, and social inclusion opportunities and ensure that 2023 performance framework and Programme targets are met.



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LEP skills officers consulted a wide range of strategic partners, (People and Skills Board Members, HE, FE, and Local Authorities) and provider networks to inform the proposed D2N2 call schedule; D2N2 LEP invited input from members to create a realistic call schedule which would bring forward high quality applications. RK expected the LEP to work with the ESF MA to finalise before final advice is sought from the ESIF sub-committee.

RK informed members that there was demand for 'sector-based work academy' activity under the Investment Priority 1.1, with unemployed individuals being supported to gain sector-specific skills to progress into employment in those sectors. Reflecting on previous applications, RK noted that Digital Skills and Health and Social Care would bring forward applications which would provide appropriate levels of match and would be deliverable.

With regards to IP 1.2 RK considered the uncertainty with ESFA opt-ins; there is a NEET programme due to end March 2021, and funding for extensions is supported by the MA subject to advice from the ESIF sub-committee. Members recognised that there would be greater demand for apprenticeships, and support for employers to unlock apprenticeship levy. Members were conscious that it may be difficult to engage smaller employers in creating apprenticeship vacancies due to high attrition rates of apprentices. Members considered that rather than starting a new apprenticeship hub, coordinating existing support, from colleges and employers, may have greater impact.

For IP 2.1 and 2.2 The D2N2 Apprenticeship Hub, members noted that other similar projects had previously been very successful but had not since been emulated. It was proposed that market research should be conducted to investigate which models would work. Members were supportive of cross-LEP conversations, including a HS2 working group, to consider the degree of skill-supply. Bev Parker (BP) asked for consideration of the needs of rural areas and how rural businesses would be a good way to get young people into employment. Members considered that the Spending Review may impact on the viability of this; this would be assessed when available. Members agreed to set up working groups to develop this further.

RK informed members of the "Fuller Working Lives" call. It was noted that there was registered demand for this; helping employers support those with emerging health difficulties. Members also considered the target beneficiaries of this type of support. While there would be a focus on Over 50s, members also considered how this may potentially impact young people with specific learning needs. Jane Howson (JH) offered to support RK on this specific topic. Members stressed that this call should not displace the current responsibilities of Local Authorities. As such, members noted the call would need to be cutting-edge, unique and different to current support. While the Over 50s would be the priority beneficiaries, the over-arching theme of supporting those with developing health issues would be the primary focus. Members raised concerns over whether £1.5m would be enough to provide the totality of support required. Members suggested that it may be worth increasing the budget for this IP.

RK informed members of the Skills for Productivity and Growth in D2N2 Call IP 2.1; £10m in value. RK reported that this was an important call as current successful provision in this investment priority may end in 2020, and this programme would build upon lessons learned in the current programmes in terms of supporting SME productivity and growth. Members noted that the impacts of the previous call have not yet been evaluated. The question was



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raised whether the graduates placed in D2N2 businesses remained in the region. Members identified the variance in needs of prospective employees; people may have degrees, but require different skills for a job, people may need upskilling who have no degrees. There was also consideration of individual business needs which may require specific expertise for varied periods of time. BP added that there would need to be a consideration of the rural context so that the call would provide more productivity for rural businesses. Members expressed concern regarding match provision for this large call value. RK was confident that, given the responses and support so far, this could easily be provided. RK further added that the ESFA option for applications did not require match provision. AV commented that ERDF Priority Axis 1 projects currently provide graduate placements and asked for consideration that ESF does not duplicate this activity and draw demand from existing projects.

RK asked for advice on call IP 2.1 Support to Address In-Work Poverty and Redundancy Support. This redundancy support is currently provided by ESFA opt-in which ends in July 2021. Given current uncertainties, this was considered a pertinent focus. Members drew attention to the need for support to marginalised groups, although it was noted that this support will be covered under IP 1.1 or 1.4. BP considered whether any mapping had been undertaken to identify where these lower paid jobs are located around the region. For instance, whether these are in non-urban regions. BP drew attention to transport and housing issues which may inhibit the overall impact, and so called for a more holistic approach.

Item 8. Any Other Business

None.

Appendix A - Actions of the Meeting

Agenda Item	Action	Action assigned to
3	All members and attendees to send declarations of interest forms to secretariat by 28 February 2020.	Members and deputies
4b	Investigate if any funding remaining in the SUD allocation after the SUD call can be invested in the Midlands Engine Investment Fund.	Anna Vinsen
4c	Write to LEPs to confirm if they agree with the approach of NLCF and ESFA extensions.	Tim George
4c	Send the Reserve Fund templates to Richard Kirkland and support as required.	Tim George
6	Provide details of match funding provisions for 'IProgramme IP2.1' to the Chair within five working days via written procedures.	Tim George



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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
Professor Warren Manning (PWM)	HE Representative (University of Derby)
Diane Beresford	East Midlands Chamber
Bev Parker (BP)	Rural Reference Group
Cllr Neghat Khan (NK)	Nottingham City Council
Viv Russell (VR)	Private Sector (Longcliffe Group)
Tim George (TGeo)	ESF Managing Authority (DWP)
Matthew Easter (ME)	Sustrans
Jane Howson (JH)	VCSE Representative (Autism East Midlands)
Cllr Reg Adair (RA)	Nottinghamshire County Council
Chris Franklin (CF)	EAFRD Managing Authority (Rural Payments Agency)
James Whybrow (JWh)	FE Representative (Nottingham College)

Sub-committee alternates attending:

Name, title and organisation	Sector/Organisation Representing
Elisa Zamora (EZ)	Derby City Council
Cllr Garry Hickton	Derbyshire County Council

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

Name, title and organisation	Sector/Organisation
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	Representing
Eimear Scullin (ES)	MHCLG
Oliver Alderton (OA)	MHCLG
Jem Woolley (JW)	Greater Nottingham SUD
Nicola McCoy-Brown (NMB)	Nottinghamshire County Council
Sajeeda Rose (SR)	D2N2 LEP
Nicki Jenkins	Nottingham City Council
Cllr Garry Hickton	Derbyshire County Council
Richard Kirkland (RK)	D2N2 LEP
Will Morlidge (WMo)	D2N2 LEP
Rachel Quinn (RQ)	D2N2 LEP
Frank Horsley (FH)	Derbyshire County Council

Apologies:

Name, title and organisation	Sector/Organisation Representing
Emma Rigler	Laing O'Rourke
Rob Johnson (RJ)	TUC Midlands
Jayne Mayled (JM)	Private Sector (True Story UK)

Next Meeting

The next meeting is scheduled on 31st March 2020 at 12.30pm. Location to be confirmed.



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Annex 01: Appraisals

Project Name: IProgramme IP1.1	Applicant: Derby Business College Limited T/A DBC Training.
Programme Priority Axis: 1.1	Investment Priority: 1.1
Project Value: £2,265,946	ESF Value: £1,132,973
<p>Summary of Discussion Sub-committee members supported the 1.1, and 1.2 programmes which work seamlessly together. It was noted that the applicant is delivery-ready and has good partnerships with NHS Enable and Derbyshire County Council. Concerns were raised on the lower than expected target for female participation and sub-committee members agreed it was important that this focus was not lost. TGeo confirmed that the MA had pushed the applicant in appraisal, and this was the highest target that they had felt able to deliver. However, to respond to sub-committee’s concerns he suggested that the target be agreed as the absolute minimum that had to be delivered, and that it would not be able to be lowered through project change requests in delivery. In addition, it would be set as one of the three targets against which the underperformance policy would be set for the project. This proposal satisfied the members. Members recognised that it is unusual for an ESF project to cover both counties and cities and provide appropriate match.</p>	
<p>Advice of the sub-committee Sub-committee members advised that the project should not lose focus on female participants.</p>	
<p>Additional conditions suggested</p> <ol style="list-style-type: none"> 1. Female participant target is to be set as minimum to be achieved and selected as one of the three targets against which the underperformance methodology would be measured. To be monitored throughout delivery, and not lowered. 	

Project Name: IProgramme IP2.1	Applicant: Derby Business College Limited T/A DBC Training.
Programme Priority Axis: 2.1	Investment Priority: 2.1
Project Value: £4,000,000	ESF Value: £2,000,000
<p>Summary of Discussion Members were informed that the proposal mirrored that of item 5 (iProgramme 1.1), but there would instead be a focus on employed individuals. Members were generally supportive of the project but queried the source of the private match funding and said they would have concerns if firms receiving participants had to contribute funding; TGeo</p>	



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agreed to confirm the source of private sector match to the Chair in writing following the meeting and seek final strategic advice from the Chair on behalf of the sub-committee.

Advice of the sub-committee

Generally supportive subject to clarification that the source of private sector match funding is not from participating firms. Confirmation of source of private sector match to be provided to Chair by ESF MA who will then provide final advice on behalf of the sub committee.

Additional conditions suggested

1. N/A