



D2N2 LEP Area ESI Funds Sub-Committee

**Minutes of meeting held 18th July 11.30 – 13.10
Room BO3, The Sir Colin Campbell Building, University of Nottingham
Innovation Park, Triumph Road, Nottingham. NG7 2TU**

Agenda:

1. Apologies, Minutes of last meeting (23 May) and process of actions
2. Confirmation of written procedures
3. National Update on ESIF Growth Programme
4. Building Better Opportunities Fund
5. ERDF Outline Assessments: Open Call April 2016
6. ERDF Full Appraisal Reports: Open Calls March 2015
7. ERDF Performance Management report
8. ESF Opt-in's processes and timescales
9. Any Other Business

1. Apologies, Minutes of Last Meeting (23 May) and process of actions

- 1.1 Cllr JC welcomed everyone to the meeting and explained that in Peter Richardson's absence he was to stand in as Chair. Apologies from Peter Richardson, Cllr Diana Meale, Matthew Allbones, Andrew Pickin, and David Williams were noted.
- 1.2 The minutes of the meeting on 23 May 2016 were considered and deemed accurate.

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

2. Confirmation of Written Procedures

- 2.1 Two items were considered by written procedure since the last meeting.
 - Internationalising SMEs ERDF project received positive support from Sub-Committee members regarding strategic fit and the Managing Authority confirmed this was currently being considered by all ESIF Committee's where this project would be delivered.
 - Building Better Opportunities Fund –IW noted that comments received from Sub-Committee members regarding the importance of this item meant that it required a separate agenda item for discussion at the next ESI Funds Sub Committee meet rather than be considered by written procedures. (See Agenda Item 4).

3. National Update on ESIF Growth Programme

Ian White, DCLG ERDF Managing Authority.

- 3.1 IW reported that following the EU Referendum decision, the Government is looking at the role of ERDF in England in supporting local growth activities. An update on future arrangements will be provided shortly. DCLG are currently providing information returns to the Treasury to inform decision making and IW agreed to keep Committee members up to date with all official updates.
- 3.2 DR offered to formulate a letter to the Chancellor to set out the importance of the D2N2 ERDF programme of activity project currently held in the appraisal process. The ESIF Committee was in support of this approach.

ACTION POINT 1: DR to formulate a letter to the Chancellor to set out the individual importance of the D2N2 ERDF projects currently held in the appraisal process.

- 3.3 Committee members questioned the timescale for Minister's to make decisions on ERDF funding.
- 3.4 IW could not provide any further information with regards to timescale.
- 3.5 DR recognised the need for a decision to be made quickly and for D2N2 to get early wins from the ESIF funds. Concern was expressed that without decisions being made, applicants would effectively be applying for funds at risk and that this may have an effect on the quality of bids coming forwards with applicants not wanting to invest time in this.
- 3.6 Committee members were in support of an approach to maximise further potential ERDF funding by opening any future calls to their full available value, using all allocated funds for each Priority Axis.

Roger Allonby, DEFRA/RPA EAFRD Managing Authority

- 3.7 RA confirmed that the EAFRD situation was the same as ERDF in that the RPA cannot commit to funding agreements but are still progressing applications and work towards future calls.

Amrik Singh, DWP ESF Managing Authority

- 3.8 AS also confirmed that the ESF situation was the same as ERDF and EAFRD in that DWP cannot commit to funding agreements but are still progressing applications and work towards future Calls.
- 3.9 DR highlighted the need to accelerate ESF funds, by means of bringing forward future Calls and allocations to fully commit funds at an early stage. Committee members were in support of an approach to maximise further potential ESF funding by opening any future Calls to their full available value.

- 3.10 AS noted that the Funding Agreement for GETin2 Project had been signed but that a project change request was required to accommodate the revised start date and financial profile. AS requested advice from the Committee, that the project still represented the required local strategic fit.
- 3.11 The Chair confirmed on behalf of the Committee that the project still met the required local strategic fit and supported the change request.

4. Building Better Opportunities Fund

- 4.1 MW provided a summary of the Building Better Opportunities (BBO) Fund paper
- 4.1.1 CS provided Committee members with an overview of the BBO process and an update of the current situation noting that
- The grant management stage was currently being drafted, to include a minimum offer
 - Quarterly progress reports are to be provided to each ESIF Sub Committee
 - A minimum of one Sub Committee meeting per LEP area per year would be attended by a Big Lottery Fund representative. Specific requests from Sub Committee's for attendance at additional meetings needed to be fed back to the central team.
- 4.1.2 Committee members raised concerns regarding how the conflict of interest process had been communicated and addressed.
- 4.1.3 CS stated that there had been an information breakdown between the BBO team and Committee members on this subject. CS confirmed that if Committee members complete the conflict of interest exemption form, clearly stating the reason why the member has no personal interest to the project then he could not foresee any issue with the member providing comment on the project strategic fit.
- 4.1.4 MW confirmed that forms could be distributed to Committee members however it would be a lengthy process. MW raised concern of being in breach of the Col and the potential risk of any claw back of funds.
- 4.1.5 CS confirmed that the Committee were only endorsing comments and not approving bids and he therefore was content for a discussion of the bids to take place.
- 4.1.6 Each bid was then discussed and the conclusions recorded below.

Project Name	Money sorted in D2N2
Applicant	St Anne's Advice Group
Declarations of Interest	None declared
<p>MW provided a summary of the project and views of the strategic review group noting that:</p> <ul style="list-style-type: none"> • The application responds effectively to the project outline. However the applicant should confirm that the final value of the application does not exceed the value of the call • The application adequately describes how the project will add value to and complement existing provision. • The application adequately evidences that the lead organisation and delivery partners have the skills and experience to deliver the project effectively. <p>CH noted that the application matched the requirements; however the major challenge for this project is the sheer range and variety of partners involved therefore this would require coherent engagement. CH also commented that the mechanisms by which the partnerships proposed to operate was a concern.</p>	

Project Name	Opportunity and Change - A pathway to work
Applicant	Framework Housing Association
Declarations of Interest	Dan King
<p>MW provided a summary of the project and views of the strategic review group noting that:</p> <ul style="list-style-type: none"> • The application responds effectively to the project outline • The application adequately describes how the project will add value to and complement existing provision • The application adequately evidenced that the lead organisation and delivery partners have the skills and experience to deliver the project effectively. <p>Cllr JC noted that need to be clear on the focus of this project, in respect of supporting people to move from benefit dependency /social dependency and in to employment.</p>	

Project Name	Towards Work
Applicant	Greater Nottingham Groundwork Trust
Declarations of Interest	Silvia Green; Andrew King
<p>MW provided a summary of the project and views of the strategic review group noting that:</p> <ul style="list-style-type: none"> • The application effectively describes what the project will deliver but has a less well developed approach to targeting and engaging beneficiaries. If selected, the applicant should address these issues in advance of contract <p>No comments forthcoming from Committee members</p>	

Project Name	BIG Aspirations
Applicant	The Coalfields Regeneration Trust
Declarations of Interest	Andrew King
<p>MW provided a summary of the project and views of the strategic review group noting that:</p> <ul style="list-style-type: none"> • The application describes an effective approach to engaging beneficiaries and understanding beneficiary need but has a less well developed approach to targeting beneficiaries and less detailed description of what will be delivered • There is a strong geographic spread of delivery partners, but most 'specialist' partners are N2 based. There is little reference to engagement with the LEP and / or Growth Hub as part of ongoing delivery. <p>No comments forthcoming from Committee members</p>	

5. ERDF Outline Assessments: Open Call April 2016

- 5.1 IW confirmed that two PA5 applications had come forward from the April 2016 call. The two applications totalled £3.65m against a Call value of £3m. One application was ineligible worth £0.5m.
- 5.2 The eligible outline assessment was discussed and the Committee's advice on local strategic fit recorded.

Project Name	Project MUNIO
Applicant	Derby City Council
Declarations of Interest	Cllr Martin Rawson; Paul Robinson
<p>Project Value £6.3M, ERDF requested £3.15M</p> <p>IW informed the Sub Committee that this project will promote climate change adaptation, risk prevention and management through the delivery of interventions to address specific flood related risks, ensuring disaster resilience and developing disaster management systems within key areas of the Lower Derwent corridor, in and around Derby City centre. IW also noted that the appraisal considered the proposal eligible, and while detail is limited at this stage, the information provided suggests a good fit with P5 actions. It has match funding in place. It is difficult to assess the costs without a detailed breakdown or summary of the works. It has potential to provide a positive environmental impact, aside from flood alleviation, but this is not developed. There is also an absence of environmental data about flood cycles and other reports. Not enough detail is provided in response to state aid and cross cutting themes should be developed more.</p> <p>MW informed the Sub Committee that the advice of the Strategic Review Group is that overall, the bid is a strong strategic fit and the advice is invite to full bid with the conditions stated by the Managing Authority, including addressing management and compliance and cross-cutting themes. The applicant should also look to increase the number of properties to be protected from flooding at full application stage, and also seek ways to deliver better value for money.</p> <p>The Committee endorsed the view of the Strategic Review Group and advised the Managing Authority that the project represented a strong local strategic fit.</p>	

The Committee confirmed that they were content to increase the PA5 Call allocation to £3.15m to allow the full value of this project to be brought forward.

- 5.5 IW confirmed that five PA6 applications had come forward from the April 2016 Call. The five applications totalled £7.175m against a Call value of £2.8m. One application was ineligible worth £0.5m.
- 5.6 The eligible outline assessments were discussed and the Committee’s advice on local strategic fit recorded.

Project Name	Derby-Nottingham Metro Area Biodiversity Action: Phase 1
Applicant	Nottingham City Council
Declarations of Interest	Cllr Jon Collins; Chris Henning; Cllr Martin Rawson; Paul Robinson
<p>Project Value £7.82M, ERDF requested £3.91M</p> <p>IW informed the Sub Committee that this project will improve urban open spaces within and on the fringes of Derby and Nottingham. Part of a longer term programme to open up, restore and connect green / blue spaces across the two cities, enriching biodiversity habitats including Local Biodiversity Action Plan sites. This will support greater diversity and abundance of species, as well as facilitating access for people to be more connected to nature, making the two major urban centres of D2N2 more attractive places for businesses to thrive and women and men to live and work. IW also noted that the project is well-structured and has potential to deliver substantive Priority 6 activity and have local impact. It consists of a number of schemes that are reasonably well developed, costed, and has emphasis on biodiversity. The application is requesting grant above the call allocation, this will need support from the ESIF Committee, or the project will need to be scaled back. Of major concern is the status of match funding. A developer will provide some private sector match - the applicant will need to assess any potential aid to the developer.</p> <p>MW informed the Sub Committee that the advice of the Strategic Review Group is that overall, the proposal has a strong strategic fit and has the potential to be a showcase project however the full application will need to provide stronger evidence of economic impact and deliverability and, if the call is over-subscribed, potentially focus on those elements / projects that are most deliverable and have the strongest economic impact. Advise to invite to full bid with conditions stated by the Managing Authority.</p> <p>The Sub Committee endorsed the view of the Strategic Review Group and advised the Managing Authority that the project represented a strong local strategic fit.</p>	

Project Name	Developing A World Class Destination – Green Infrastructure in North Derbyshire
Applicant	Derbyshire County Council
Declarations of Interest	Ian Stephenson; Cllr Anne Western
<p>Project Value £1.34M, ERDF requested £0.67M</p> <p>IW informed the Sub Committee that this project will develop a new 7.4km accessible green corridor and restore areas of semi-natural grassland on calcareous substrate. The green corridor, a former railway line, will provide a well-defined new multi-user trail that links the urban centre of Clowne to the wider trails network.</p>	

The new green corridor will play a key role in supporting the local economy by attracting business, visitors and people to live and work in the area, providing links to centres of employment and economic opportunities, including the growth of the visitor economy and a low-carbon sustainable transport offer. IW noted that the project demonstrates a good fit with the needs of Investment Priority 6(d) and the call from D2N2 LEP area through investment in green infrastructure. The value for money is positive and the proposal satisfactorily demonstrates the potential to achieve the impact desired. The partnerships identified are well established and the working group has the necessary expertise and experience to provide the Managing Authority with confidence of deliverability. The applicant should provide more information on the wider plan for the Strategic Greenways network and the funding package supporting this to evidence the additionality this project will provide.

MW informed the Sub Committee that the advice of the Strategic Review Group is that overall, the project describes a strong approach focussed on environmental works to support economic growth and that timescales for delivery of the project appear realistic. The proposal has a strong strategic fit and advice is to invite to full bid with conditions stated by the Managing Authority.

The Sub Committee endorsed the view of the Strategic Review Group and advised the Managing Authority that the project represented a strong local strategic fit.

Project Name	Willington Nature Reserve
Applicant	Derbyshire Wildlife Trust
Declarations of Interest	None declared

Project Value £1.98M, ERDF requested £0.99M

IW informed the Sub Committee that this project will create a regionally important haven for wildlife and people. The project will restore 80 hectares of former quarry land to priority habitat, with woodlands, wetlands, grasslands and rivers and with innovative visitor facilities. It will seek to restore former quarry land to a nature conservation area, thereby improving the biodiversity of the site by introducing an array of habitats and species. The visitor centre, while complimentary to the activity, is not eligible and will need to be removed. However, the project would appear to offer good value for money in terms of the outputs predicted. The project and financial management do pose a risk, given the lack of information around match funding and the applicant's lack of experience running a European-funded project.

MW informed the Sub Committee that the advice of the Strategic Review Group is that overall it is suggested that this is a medium strategic fit and should only be invited to come forward should financial capacity allow and then all issues and conditions around deliverability should be addressed at full application stage.

Committee members were concerned that there would not be the budget to support this proposal and queried whether the costs were known for the project without the visitor centre

IW confirmed that the costs were not broken down in detail at outline application stage.

SG queried whether the proposal identified how it would work / fit with the proposal under PA5.

Cllr AW noted that there was an emerging strategy for Trent Valley vision and for waterways across the Midlands area which would enable complementarity.

SG noted that lack of experience of European-funded projects should not be held against proposals being forwarded to full application.

The Sub Committee endorsed the view of the Strategic Review Group and advised the Managing Authority that the project represented a medium local strategic fit.

Project Name	Renishaw Junction
Applicant	Derbyshire County Council
Declarations of Interest	Ian Stephenson; Cllr Anne Western
<p>Project Value £2.19M, ERDF requested £1.09M</p> <p>IW informed the Sub Committee that this project will reclaim a 1.1km corridor of post-industrial landscape for modern infrastructure uses. Specific habitats of open water in the form of restored canal, marginal wetland habitat, mixed broadleaved woodland and neutral grassland will be created. The habitats will perform regulatory, cultural and supporting ecosystem services the values of which can be measured in widely accepted, standard frameworks. IW noted that the project has a good fit with Priority 6d and aligns well with the Call for Proposals and the D2N2 Strategy for Growth. It has potential to provide and introduce a number of habitat improvements around a canal which is being restored. Costs need to be broken down further and match funding is an area of risk as these include public donations which may not be relied upon. Management arrangements are not covered in detail and additionality should be strengthened. The applicant will also need to confirm their procurement arrangements are compliant.</p> <p>MW informed the Sub Committee that the advice of the Strategic Review Group is that this proposal is short on tangible details, is a weak strategic fit and should only be invited to come forward should financial capacity allow. All issues and conditions around deliverability should then be addressed at full application stage.</p> <p>The Sub Committee endorsed the view of the Strategic Review Group and advised the Managing Authority that the project represented a weak local strategic fit.</p>	

5.7 The Committee confirmed that they were content to increase the PA6 Call allocation to £4.58m to allow the full value of the two projects with strong local strategic fit to be brought forward (Derby-Nottingham Metro Area Biodiversity Action: Phase 1 and Developing A World Class Destination – Green Infrastructure in North Derbyshire).

6. ERDF Full Appraisal Reports: Open Calls March 2015

- 6.1 IW informed the Sub-committee that one ERDF full appraisal was being brought to the meeting to confirm the committee's view of local strategic fit. The full assessment was discussed and the conclusions recorded below.

Project Name	Growing and Developing the Visitor Economy Sector within Derbyshire
Applicant	Derbyshire and Nottinghamshire Chamber of Commerce and Industry Ltd – Trading as Visit Peak District and Derbyshire
Declarations of Interest	Liz Fothergill; Sylvia Green; Diane Simpson; Ian Stephenson; Cllr Anne Western
<p>Project Value £1.48M, ERDF requested £0.74M</p> <p>IW noted that the project will support the capacity of SMEs in the visitor sector economy and its supply chains to grow in regional, national and international markets by:</p> <ul style="list-style-type: none"> • Providing visitor economy sector specific business advice and guidance • Providing expertise and knowledge to enable visitor economy businesses access to access new and emerging markets that have been identified by Visit England • Supporting the visitor economy to achieve economic growth within its domestic markets by aligning provision through the D2N2 Growth Hub <p>MW noted that the D2N2 Strategic Review Group had reviewed the local Strategic Fit of the full appraisal and confirmed that the bid had a high degree of local strategic fit however the bid was now only to the Derbyshire area and not Derby city and also elements of the bid were linked to supporting EAFRD supported activity therefore continued monitoring would be needed. The advice was to proceed to contract with conditions highlighted.</p> <p>PG stated that the bid had high staffing costs and that it wasn't clear which market towns were being supported. PG also queried whether finance was being made available for market towns rather than staff being utilised.</p> <p>IW confirmed that the bid was focussed on business support around clusters of activity that delivered against ERDF outputs, not supporting tourism.</p> <p>PG requested more detail regarding targeting market towns.</p> <p>IW commented that the Managing Authority would liaise with the applicant to deliver a presentation about the project to the Sub-Committee</p> <p>Cllr MR endorsed the action to invite the applicant to present to the Sub-Committee so that more could be known about the project but confirmed that overall it was a good bid.</p> <p>The Sub-Committee agreed to advise the Managing Authority that the project still represented a strong strategic fit.</p>	

- 6.2 **ACTION POINT 3 – IW to invite Visit Peak District and Derbyshire to present at future committee meeting.**

7. ERDF Performance Management report

7.1 IW provided the Sub-Committee with a review of performance management to show progress against spend and output targets at the LEP area level, noting that:

- 77% of the current PA1 (Innovation) allocation has been programmed against three projects (£14m ERDF), which are forecast to meet both the 2018 output and financial target with significant headroom.
- The current PA2 project in the pipeline will not deliver the output target of additional businesses with broadband access of at least 30mpb.
- PA3 commitment has decreased to 92.7% (£32.275m) of the priority axis allocation (£34.8m). PA3 is forecast to meet both the 2018 output and financial target with significant headroom.
- £9.6m (42%) of the current PA4 (low carbon) allocation of £22.6m has been programmed against two projects (£4.1m ERDF), the Sustainable Urban Development for Greater Nottingham (£3.5m) and the Midlands Engine Investment Fund.
- £3.15m (67.8%) of the current PA5 (Climate Change) allocation of £4.9m has been received at outline stage following the April 2016 Call.
- £6.68m (139.8%) of the current PA6 (Environment & Resource Efficiency) allocation of £4.8m has been received at outline stage following the April 2016 Call.

7.2 DS queried whether Committee members were still able to advise on local strategic fit on outstanding projects by Written Procedures and whether such was across all Priority Axes, not just PA3.

7.4 IW confirmed that this could be facilitated subject to Committee approval.

The Sub-Committee agreed to advise the Managing Authority that they would like to proceed with advising on local strategic fit across all Priority Axes by Written Procedures where requested.

8. ESF Opt-in's processes and timescales

8.1 MW noted that the DWP procurement process for INSPIRE Local opened and in May 2016. 10 bids have been received by DWP, 1 was rejected. LEP officers have been involved in the evaluation process of all 9 bids. DWP Commercial Board will select the preferred contractor.

8.2 MW also noted that the SFA procurement process for EMPLOY Local, SKILLS Local, CAREERS Local and YE D2N1 opened between 5th and 11th July 2016. Between 19th and 22nd July 2016 the LEP will hold four information workshops across the Derbyshire and Nottinghamshire area in Worksop, Chesterfield, Derby and Nottingham.”

9. Any Other Business

None.

Date, time and venue of future meetings:

Date: 19th September 2016 11.30 a.m. – 1.30 p.m., Loxley House, Nottingham City Council

Annex A

List of Agreed Actions from D2N2 LEP Area Sub-Committee Meeting 18th July 2016

Agenda Item	Action	Action Assigned to
3.2	Formulate a letter to the Chancellor to set out the individual importance of D2N2 ERDF projects currently held in the appraisal process	DR
6.2	Invite Visit Peak District and Derbyshire to present at future committee meeting.	IW

Annex B Attendee List

D2N2 LEP Area ESI Funds Sub-Committee 18th July 2016 meeting

Chair & Deputy Chair:

Name, title and organisation	Sector/Organisation Representing
Cllr Jon Collins (Cllr JC)	Nottingham City Council
Ian White (IW)	Managing Authority ERDF (DCLG)

Sub-Committee Members:

Name, title and organisation	Sector/Organisation Representing
Andrew King (AK)	Vision West Nottinghamshire
Chris Henning (CH)	Nottingham City Council
Cllr Anne Western (Cllr AW)	Derbyshire County Council
Sylvia Green (SG)	Rural Action Derbyshire
Ian Morgan (IM)	Wellglade
Ian Stephenson (IS)	Derbyshire County Council
Rob Johnston (RJ)	Trade Union Congress
Cllr Martin Rawson (Cllr MR)	Derby City Council
Peter Gadsby (PG)	Ark Capital
Tim Gregory (TG)	Nottinghamshire County Council
Paul Robinson (PR)	Derby City Council
Dan King (DK)	University of Nottingham
Liz Fothergill (LF)	Pennine Health Care

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

Name, title and organisation	Sector/Organisation Representing
Amrik Singh (AS)	Managing Authority ESF (DWP)
Callum Bullimore (CBull)	DCLG (Minutes)
Jonathan Leonard (JL)	DCLG (Minutes)
Roger Allonby (RA)	Managing Authority EAFRD (RPA / DEFRA)

David Ralph (DR)	D2N2 LEP
Matthew Wheatley (MW)	D2N2 LEP
Diane Simpson (DS)	East Midlands Chamber
Chris Sims	Big Lottery Fund

Apologies:

Name, title and organisation	Sector/Organisation Representing
Peter Richardson (PRich)	D2N2 LEP
Andrew Pickin (AP)	Shoosmiths
Cllr Diana Meale (DM)	Nottinghamshire County Council
Matthew Allbones (MAI)	Derby Citizens Advice and Law Centre
David Williams	Butt Foods