

## Summary of Responses to the D2N2 ESIF Local Implementation Plan Consultation

Forty six detailed responses were made to ESIF Local Implementation Plan consultation. The key finding from consultation has been that the ESIF approach proposed by D2N2, particularly the intent to use ESIF monies to deliver the D2N2 Strategic Economic Plan via projects of scale and impact, was broadly endorsed with the majority of comments relating to how the proposed approach can be refined and better communicated in order to achieve this intent.

A summary of the ten key findings from the consultation can be found from the table below. This table identifies the actions arising from those key findings and how they can be practically applied to support the development and delivery of the ESIF programme

KEY ISSUE	ACTION
<p><b>1. Complexity of the ESIF Local Implementation Plan Document</b></p> <p>Overall, it was considered that the document was too detailed, particularly with regard to project specificity and detailed references to the overarching framework of Thematic Objectives and Key Activities.</p> <p>Responders considered that the level of detail in the document was likely to be confusing for applicants, imply restrictive and compartmentalised activities and deter innovation, collaboration and scale of potential applications.</p>	<p>D2N2 will develop a more outcomes and principles based approach to calls in the final ESIF Local Implementation Plan and other commissioning documents.</p> <p>This will allow applicants to understand the strategic context for the ESIF programme, the process for accessing funding and eligible activities within each ESIF call.</p> <p>To enable applicants to more clearly understand how the D2N2 ESIF programme Board will assess the fit of applications with the ESIF Strategy, officers will work to develop a set of 'core delivery principles' in the Final Local Implementation Plan and in each call specification.</p> <p>The 'core delivery principles' will be used as part of the assessment framework by which the LEP will prioritise applications received.</p>
<p><b>2. Strength of Sectoral Focus</b></p> <p>The sectoral focus was seen to fit with the D2N2 Strategic Economic Plan approach and provides for the European Commission's favoured 'Smart Specialisation' approach to innovation.</p> <p>However a number of respondents indicated that it should be sensitively and flexibly applied in ESF and ERDF programmes as there were likely to be 'commonalities' in sector approaches that could be consolidated for efficiency and provision should be made for 'emerging' sectors or innovation.</p>	<p>In business support provision D2N2 should clarify that our sector approach provides targeted enhancements to our general offer rather than a set of exclusive stand-alone programmes.</p>

Sector focused business support should be delivered as part of a coherent offer including more generic support for businesses to grow without restriction by size, sector or location in D2N2.	
<b>3. Coordinated Approach to Business / Employer Engagement</b>	
<p>A number of programmes in both ERDF and ESF include an element of business / employer engagement.</p> <p>To drive efficiencies, promote information sharing where possible and to provide for more structured engagement with businesses, the programme should seek to coordinate, simplify and join up business engagement, if possible via the developing Growth Hub model.</p>	To encourage greater co-ordination between ESIF funded projects in engaging with business D2N2 should include an expectation that projects will be required to engage as part of the 'virtual team' for the D2N2 Growth Hub.
<b>4. Duplication / Added Value</b>	
To assist applicants, responders considered that the document should be clearer in its intent to avoid duplicating existing initiatives and to focus on providing 'Added Value'	D2N2 to specify 'Added Value' as a core delivery principle and stress that projects must demonstrate their 'additionality', strategic and operational fit and how they extend the benefits of best practice.
<b>5. Communication and Engagement</b>	
<p>Respondents considered that D2N2 should play a pro-active role in assisting potential applicants to support the development of a pipeline of strategic interventions.</p> <p>There is a need to exercise caution to ensure proper demarcation between pipeline development and decision-making activities and ensure appropriate sourcing of 'technical advice'.</p> <p>It is proposed that D2N2 should develop a Communication and Engagement Plan for its ESIF work with a focus on supporting applicants in framing strategic applications.</p>	To develop a pipeline of high quality applications, D2N2 will work with partners to develop and implement an ESIF Communication and Engagement Plan.
<b>6. The right activities for growth?</b>	
Whilst the overall approach was considered to be too project / activity specific, there were a number of comments that highlighted broader strategic areas where greater clarity was required. The ones where there were a cluster of comments included;	In future drafts of the ESIF Local Implementation Plan and tender specifications, D2N2's approach to highlighted issues should be clarified.
<b>a) Inward Investment:</b> Supporting inward investment via 'soft landing' and 'place marketing' should be a key activity	Add international activity as an eligible area of activity as referenced in the ESIF strategy and clarify technical eligibility with DCLG.
<b>b) Capital Programme:</b> The final Local Implementation Plan needs a clearer articulation of the approach to capital	In line with the evolution of European cohesion policy, ESIF funding between 2014 and 2020 is more focused on revenue /

<p>funding, particularly what the strategy will and won't cover.</p> <p>In particular, clarification was sought over whether ESIF would support new or improved innovation and / or incubation space, new build commercial floor space, public realm / gateway enhancements, housing, infrastructure to support employment sites, local carbon infrastructure and renewables.</p>	<p>current expenditure with less focus on capital expenditure, particularly in 'more developed' regions.</p> <p>The European Commission does not consider that more developed regions, like the East Midlands, have a general 'infrastructure deficit'. The D2N2 ESIF Strategy does not set a formal 'capital / revenue' split for ESIF funding but outlines a range of business support, innovation, ICT, low carbon, skills, employment and social inclusion priorities that it would expect to be met by a blend of mostly revenue based programmes complimented by strategic capital investments.</p> <p><b>Wording for Business Support call</b></p> <p>D2N2 will consider applications to support capital expenditure from the ERDF strand of ESIF funding where there is a direct or strategic link to other complimentary revenue funded support programmes and or the delivery of key strategic objectives such as delivering smart specialisation in innovation, supporting growth in key sectors or enabling skills support. Any capital investment would need to make a clear case for intervention by identifying market failure.</p>
<p><b>c) Broadband:</b> The focus is welcomed but various comments were made about the 'key activities' to deliver better broadband – particularly the need to align with BDUK programmes</p>	<p>When clarity about permitted activities under the Operational Programme is received, D2N2 will make clear the preferred approach but stress the need for 'additionality' beyond already funded programmes.</p> <p>D2N2 will also consider the timing of activity to potentially follow the BDUK programme.</p>
<p><b>d) Time2Change</b> It was widely stated that the Time2Change programme should be more flexible</p>	<p>D2N2 to invite the Skills Commission to review the focus of The Time2Change programme with a view to making it more flexible.</p>
<p><b>e) Open Calls</b> There needs to be clearer alignment between the business facing 'open calls' for ESF and ERDF.</p>	<p>D2N2 to align timings of calls and include consistent delivery principles about business engagement through the Growth Hub</p>
<p><b>f) Access to Finance</b> More details are needed on Access to Finance proposals</p>	<p>D2N2 to continue to work with East Midlands LEPs to develop a solid evidence base to support decision making in this area</p>
<p><b>7. Approach to Opt-Ins and Calls and Preferred 'Delivery Models'</b></p>	
<p>There was broad consensus about desirability of taking up the ESF 'opt in' offers from DWP, SFA and Big Lottery, so long as</p>	<p>D2N2 to not specify preferred delivery models in the Local Implementation Plan or tender specifications but instead set out an</p>

<p>appropriate 'ways of working' documents (Memorandums of Understanding) can be developed.</p> <p>There was broad consensus about the desired outcomes of the opt-ins process but wide divergence of views about how well the various delivery models could deliver the desired approach.</p>	<p>approach to opt-ins delivery that is driven by outcomes / principles to ensure;</p> <p><b>a) VFM</b>, with sub-contracting only where this would demonstrate better local delivery and VFM</p> <p><b>b) robust programme / project management</b> and</p> <p><b>c) on going local / ESB engagement</b> to promote delivery informed by local needs and intelligence</p>
<p><b>8. Community delivery options</b> On balance a bespoke community programme is favoured but it needs careful and inclusive local design, involving the voluntary and community sector and local government.</p>	<p>D2N2 to convene a working group, involving representatives of local government and the voluntary and community sector, to work on behalf of the LEP to design a bespoke D2N2 community programme.</p>
<p><b>9. Geography of Delivery and Spreading the Benefits of ESIF</b></p>	
<p>A variety of views were expressed.</p> <p>Urban organisations expressed a desire for an urban focus in spend, whilst rural organisations stressed the importance of ensuring 'mainstream' ESF and ERDF programmes were delivered in rural areas rather than solely EAFRD.</p> <p>There was no sense in responses that the programme should have anything other than universal availability throughout D2N2 or that delivery couldn't 'look' different in different parts of D2N2 according to local circumstances.</p> <p>It was also broadly recognised that</p> <p>a) There is a need to better communicate how the 'overlap' relationship with Sheffield City Region LEP will work</p> <p>b) in general, social inclusion, NEET, employment and community (and to some extent capital) programmes were seen as having a very local focus</p> <p>c) Business support and innovation programmes were seen as more LEP wide or collaborative with other LEPs.</p> <p>There is a need for greater emphasis and clarity on how applicants should address the</p>	<p>D2N2 to establish 'impact' and 'scale' as part of the core delivery principles making clear the LEP's wish for fewer, larger applications.</p> <p>D2N2 to establish the expectation that mainstream programmes will deliver in rural and urban areas as a core delivery principle.</p> <p>D2N2 to develop a programme by programme approach to geographic focus which, in general;</p> <ul style="list-style-type: none"> <li>• For 'open calls' incentivises bids of geographic reach and scale of output delivery / market penetration.</li> <li>• For 'matched at source' opt-in delivery ask the Skills Commission and Social Inclusion Group to advise on geographic contract areas for each programme.</li> </ul> <p>The approach to cross cutting themes needs early emphasis in bid documents and processes.</p> <p>D2N2 to clarify Managing Authority requirements and liaise with the Equalities Advisory Group on best practice</p>

<p>equalities and sustainability cross cutting themes</p>	
<p><b>10. Timing of Calls</b></p>	
<p>Respondents in general felt that the programme should be opened for applications as soon as it was feasible to do so. However, it was also suggested that simultaneous opportunities may present challenges for smaller providers.</p> <p>Moreover, it was suggested that even with the late opening of the programme, to support applicants making high quality bids, particularly for larger projects, calls should be well publicised in advance and open for at least six weeks.</p>	<p>D2N2 to press ahead to develop call and commissioning documents to enable as much of the programme to be open at the earliest opportunity.</p> <p>Schedule calls to allow for appropriate consultation at tender design, assessment of outline bids and assessment of final bid stages.</p>