



**European Union**

European Structural  
and Investment Funds

**European Structural and Investment  
Funds  
2014 - 2020**

**Growth Programme for England**

## **Black Country ESI Funds Sub-Committee**

**Minutes of meeting held 19/02/2019**

**Room 4 - The Civic Centre (on the 3rd Floor), Wolverhampton**

### **Agenda:**

1. Welcome and introduction
2. Minutes of 27/11/2018 meeting and action update
3. MA Updates  
ERDF – Verbal update and MI Papers  
ESF Verbal Update and MI Papers
4. Outline Applications  
PA1 Call Summary  
PA2 Call Summary  
PA3 Call Summary  
PA4 Call Summary  
PA6 Call Summary
5. Full Applications
6. AOB/ Items for information

### **1. Welcome and introduction**

- 1.1 The Chair, **Darren Cope** (DC) welcomed members to the meeting. He stood in for **Cllr Roger Lawrence** (RL) and **Pete Thomason** (PT) who were unable to attend. RL joined the meeting later and was happy for DC to continue as Chair.

### **2. Minutes of 27/11/2018 meeting and action update**

- 2.1. The Chair referred the group to the minutes from the previous meeting (held 27th November 2018) and asked members for comments. No comments were received. The minutes as agreed will be published on the gov.uk website.
- 2.2. A full list of the apologies is appended to the minutes confirming attendance. Apologies were noted from RL, PT, Paul Mountford (PM) and Zoey West (ZW).
- 2.3. The Chair referred the group to the minutes from the previous meeting (held 27th November 2018) and asked members for comments. No comments were received. The minutes as agreed will be published on the gov.uk website.
- 2.4. The Chair asked for an update on the action from the last meeting.

*Agenda Item 6 The Chair requested that HC and ZW work up proposals and respond to Big Lottery on behalf of the Group providing an update when concluded. Action assigned to Heather Clarke and Zoey West.*

An update on the action above was provided by Harjinder Dhami (HD) during the ESF update. Details can be found in the BLF Phase 2 section further below.

The Committee noted Agenda item 4 of the minutes provided an update on the Midlands Engine Investment Fund (MEIF). A request was made for a detailed update that provides the ESIF Sub-Committee with details of where the MEIF spend is against the profile. Concerns were expressed that all BC funds might not be distributed before the end of March deadline. DC stated the British Business Bank (BBB) will provide quarterly updates showing the spend positions. This information will be available at the next ESIF Sub Committee meeting.

### **3. ERDF – Verbal update and MI Papers**

3.1. DC provided the ESIF Sub-Committee with an overview of the position of the Black Country project portfolio.

PA1 (innovation) – This priority currently has £1.162m of unallocated funds and the total amount currently under consideration represents 94.4% of the notional allocation.

PA2 (Broadband) – This priority currently has £1.5m of unallocated funds and the total amount currently under consideration represents 26% of the notional allocation.

PA3 (SME competitiveness) – This priority currently has £7.3m of unallocated funds and the total amount currently under consideration represents 75.7% of the notional allocation.

PA4 (Low carbon) – This priority currently has £744k of unallocated funds and the total amount currently under consideration represents 95.8% of the notional allocation.

PA6 (Environment) – This priority currently has £7.6m of unallocated funds and the total amount currently under consideration represents 32% of the notional allocation.

3.2. The Performance Framework Targets

PA3 spend performance framework targets have now been achieved.

PA4 is exceeding the target at 80%.

The level of contracted expenditure for the other priorities is lower than their performance framework target values. There is still concern around the PA2 and PA4 targets, but their levels reflect the national picture.

At the end of Q3 2018, slippage across the priorities varied from 10% (PA3) to over 30% for PA1. DC explained the MA is continuing to work closely with underperforming projects to monitor performance.

3.3. Progress Against Output Performance Framework Targets

Progress against the output performance framework targets is healthy. The PA1, PA3 and PA4 targets have now been achieved. The PA2 target is close to being achieved. PA6 is unlikely to be met as there is only one project contracted to deliver outputs.

### 3.4. Calls Update

The following BCLEP calls were launched on the 5 October 2018.

PA1 (innovation) - £5m call value with applications received totalling £9.55m. There is £1.1m remaining to allocate.

PA2 (ICT) – £1.2m call value, but no applications were received. There is £1.5m remaining to allocate.

PA3 (SME competitiveness) - £4m call value with applications received totalling £1.4m. There is £7.3m remaining to allocate.

PA4 (low carbon) - £4m call value with applications received totalling £4.15m. There is £743k remaining to allocate.

PA6 (Environment) - £5m call value with applications received totalling 777k. There is £7.6m remaining to allocate.

The dates for future calls are yet to be confirmed. Dates are dependent on EU departure plans agreed by Parliament. Calls were planned to launch in early spring, but this might slip into late May. The MA is currently looking at various EU exit scenarios before confirming future call dates. DC confirmed that whatever happens with the EU exit, funds will be available for local growth programmes and the sub-committee will be informed of future call plans.

### 3.5. ESF – Verbal update and MI Papers: Progress on ESF

HD provided the sub-committee with an overview of the ESF position. The update was taken from the Growth Programme Board paper completed in December 2018 using information from November 2018.

#### National update N+3

All resources were prioritised to work towards meeting the N+3 target. By end of September, less than half the expenditure required to reach the N+3 target had been achieved. HD confirmed the spend target was not only met, but was exceeded by €58m, putting YEI in a good position.

### 3.6 Calls update

There are currently 18 live calls totalling £67m (PA1 £37m and PA2 £30m). The call timetable is under constant review to ensure calls are maximised.

The minimum call value increased from £50k to £150k of EU funding per call. The minimum application value has increased to 25% of the ESF call value or £150k, whichever is greater. These changes will help encourage higher value applications and

consortia bids to maximise distribution of funds. A one stage process is being put in place so that applications go straight to full which will also help encourage commitment of large amounts of funding. This approach will also to help avoid duplication of provision.

### 3.7 Overall Progress

At the half way point, 50% of funds have been committed.

ESF Opt-In/Co Financing Organisations (CFOs)

Big Lottery Fund (BLF)

Q2 2018 claims totalling £20.5m were processed. Q3 2018 claims totalling £26m have been received.

Her Majesty's Probation and Prison Service (HMPPS)

Q2 2018 claims totalling £134.5m were processed. A Q3 2018 claim totalling £8.5m has been processed.

DWP

Q3a2018 claims totalling £13.3m were received. A Q3b claim which totalled £7.8m was brought forward to help achieve N+3.

ESFA

The Q3a 2018 claim totalling £224m was received. The Q4 2018 claim totals £181m.

Operational Programme Review

The Operational programme review was agreed by commission. Updated figures were sent to local ESIF Sub-Committees which consider exchange rate changes.

LEP area call progress

Management information (MI) from November was provided and is being updated.

Open calls

The MA has been working with the LEP to develop three calls to be launched in February 2019.

IP 2.1 Intermediate Technical and Higher Level Skills and Support for Redundant or at Risk of Redundancy: £5.5m.

IP 2.1 Support for Employees with Lower Level Skills: £500k

IP 2.2 call Employer Led Skills Training: £500k.

### 3.8 Progress Update

The residual allocations for each priority are as follows:

IP 1.1 - £1.4m

IP 1.2 - £192k

IP 1.3 - £5.3m

IP 1.4 – Residual allocation is -£4.3m with a £6.6 potential commitment to be considered with submission of a Project Change Request (PCR). If accepted, the PCR will see the allocation exceeded by over 25%.

IP 2.1 - £5.8m

IP 2.2 - £745k

ESFA

ESFA submitted a PCR seeking to increase PA1 and PA2 amounts for an overall increase of £26.7m.

BLF Phase 2

BLF confirmed they will continue to partake in the second half of the programme. Funding levels are being discussed with the LEP. BLF estimate £6.6m can be committed in phase 2 which is in addition to the current ESF commitment of £5.8m. The PCR will see an overall increase to the LEP commitment when both IP 1.4 BLF and ESFA totals are combined. The BC will be 125% committed against IP 1.4. HD explained the MA allows a 15% tolerance as not all projects will be committed. Robust discussions are taking place to get spend planned or decommitted as required. To meet the additional deficit the Sub-Committee can ask the MA to use priority funds from across the programme. Funds from PA1 and PA2 can be used. HD asked the Sub-Committee members for their views on whether they want to formally ask the MA to move funds amongst the priorities to allow for the BLF PCR budget change. The Sub-Committee supported the proposal and requested the MA amend the priority budgets.

HD confirmed calls are being published until September 2019. HD and Zoey West (ZW) are in discussions regarding the calls. MD explained that if the BLF PCR is approved there will not be much left in the budgets for other priorities as the funds will be allocated.

There was some discussion about YEI and the ringfenced funds. HD confirmed he has asked nationally about the use of funds, but at the moment the funding remains ring-fenced and cannot be used for other purposes. Discussions are taking place to consider options for getting that money out the door.

#### **Action**

- **Action 1: MA to amend the priority budgets to allow for the BLF PCR budget change requested**

## 4. Outline Applications

- 4.1. Applications totalling £9.5m were received against a call allocation of £5m. DC presented the project outline applications for the Sub Committee comments on strategic fit.

### PA1 Outline Applications

- 4.2. The ESIF Sub-Committee supported all outline applications to move forward to full application stage. The BC ESIF Sub-Committee will be looking to see the cross LEP area projects have robust plans in place for working with local BC partners. Cross LEP applicants must demonstrate they have robust plans in place for working with each of the four Black Country local authority business support departments and the Growth Hub at full application stage.

- 4.3. See Annex BC Minutes Annex 1 and Annex 2 for project outline information.

### 4.4. PA2 Call Summary

No applications were received against a call allocation of £5m.

### 4.5. PA4 Call Summary

Two applications totalling £4.15m were received against a call allocation of £5m. DC presented the project outline applications for the Sub Committee comments on strategic fit.

### 4.6. PA6 Call Summary

One application totalling £777k was received against a call allocation of £5m. DC presented the project outline application for the Sub-Committee comments on strategic fit.

## 5. Full Applications

- 5.1. The ESIF Sub-Committee supported all outline applications to move forward to full application stage.

- 5.2. See Annex BC Minutes Annex 1 and Annex 2 for project full application information.

## 6. AOB

### 6.1 Midlands Engine Investment Fund (MEIF)

DC stated the MA has asked the BBB to provide quarterly updates. An update will be available at the next BC ESIF Sub-Committee, which is due to take place in May. There will be an opportunity to look at the MEIF allocations at that time. Like other projects, the MA can take actions to address underperformance. The MA will provide details of how the project is performing. ML raised concerns that money has been committed and does not want to risk uncommitted funds being clawed back.

- 6.2 Cllr Lawrence indicated he is standing down in May. A new Chair and potentially a new meeting location will be required. DC thanked Cllr Lawrence for his work and support. DC will ask PT to send information regarding the process for nominating a new chair.

### Actions

- **Action 2: PT to share MEIF BC spend with BC Sub-Committee**
- **Action 3: PT to send details for electing a new Chair to Sub-Committee**

**Date, time and venue of future meetings:**

- It was agreed that the next meeting will be held towards the end of May. Date, time and location to be confirmed.

## Annex A

### List of Agreed Actions from Black Country LEP area ESIF Sub-Committee Meeting

Agenda Item	Action	Action Assigned to
3.5	MA to amend the priority budgets to allow for the BLF PCR budget change requested	HD DWP
6.1	PT to share MEIF BC spend with BC Sub-Committee	PT MHCLG
6.2	PT to send details for electing a new Chair to Sub-Committee	PT MHCLG



## Annex B Attendee List

### Black Country LEP ESI Funds Sub-Committee 19/02/2019 meeting

#### Chair & Deputy Chair:

Name, title and organisation	Sector/Organisation Representing
Darren Cope (Chair)	MHCLG (MA ERDF)

#### Sub-Committee Members:

Name, title and organisation	Sector/Organisation Representing
Cllr Roger Lawrence	Black Country Joint Committee
Glen Barrowman	Wolverhampton University (Low Carbon rep)
Harjinder Dhami	DWP (MA ESF)
Heather Clark	Wolverhampton City Council (Creative Industries & Skills)
Mark Lavender	Walsall MBC (Public Funding and Infrastructure)
Dawn Nichols	Dudley New Heritage Regeneration

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

Name, title and organisation	Sector/Organisation Representing
Inez Costa	MHCLG (MA ERDF) Minutes
Judith Stringfellow	MHCLG (MA ERDF) observer
David Mainsbridge	DWP (MA ESF) observer

#### Apologies:

Name, title and organisation	Sector/Organisation Representing
Pete Thomason (Deputy Chair)	MHCLG (MA ERDF)
Corin Crane	BC Chamber of Commerce (SMEs)
Darshana Dookhy (alternate to Peter Yeomans)	Sandwell MBC

Ian Darch	Wolverhampton Voluntary Council Services (3rd Sector)
Jan Gilder	Wolverhampton University (HE rep)
Jatinder Singh (alternate to Roy Stokes)	Environment Agency
Jo Rushton	DWP (MA ESF)
Joy Holland (alternate for Jan Gilder)	Wolverhampton University (HE rep)
Matthew Cadden-Hyde (alternate to Sanjeev Ohri )	Dudley College (FE rep)
Paul Brown	Private sector Black Country LEP
Paul Mountford	Dudley MBC (Tourism & Culture)
Pete Smith	BEIS
Peter Yeomans	Sandwell MBC
Roy Stokes	Environment Agency
Sarah Middleton	Black Country Consortium (Strategy Coordination)
Sanjeev Ohri	Dudley College (FE rep)
Sheila Ray (alternate Paul Mountford)	Dudley MBC (Tourism/Visitor Economy Rep)
Simeon Green	Engage Youth Empowerment Services (BME rep)
Zoey West (alternate for Mark Lavender)	Walsall MBC (Public Funding and Infrastructure)