



European Union

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

Growth Programme for England

Thames Valley Berkshire LEP Area ESIF Sub-Committee

**Minutes of meeting held 26 September 2018
100 Longwater Avenue, Green Park, Reading, Berkshire RG2 6GP**

Agenda:

1. Welcome and introduction
2. Minutes of 27 March 2018 meeting and progress of actions
3. European Agricultural Fund for Rural Development (EAFRD) National Programme Update
4. EAFRD Local Programme Update
5. European Social Fund (ESF) National Programme Update
6. ESF LEP Call and Progress Update
7. European Regional Development Fund (ERDF) National Programme Update
8. ERDF Local Programme Update
9. ERDF Applications
10. ERDF Calls
11. Any Other Business

1. Welcome and introduction

1.1. The **Chair** welcomed attendees. Apologies are recorded in Annex A.

2. Minutes of meeting of 27 March 2018 and progress of actions

2.1. The **Chair** asked the respective individuals to provide an update on the actions from the previous meeting.

Action 1 – Update on call schedule for Thames Valley Berkshire LEP area to be provided at next ESIF subcommittee meeting. **Joanna Wright** hoped to be able to provide an update on this at the meeting but she had not received an update from the Education and Skills Funding Agency so this will be carried over as an ongoing action.

Action 2 - Joanna Birrell to draft calls for Priority Axis 3 in advance of the next meeting. An update on this was provided in item 10 on the agenda.

2.2. The 27 March 2018 draft minutes were agreed as an accurate record of the meeting.

3. EAFRD National Programme Update

3.1. **Sarah McGinn** provided a verbal update on the EAFRD programme from the national perspective.

4. EAFRD Local Programme Update

4.1. **Sarah McGinn** spoke to the Management Information (MI) paper that had been circulated and provided an update on the recent calls. No Full Applications had been received yet but that was not a cause for concern as the deadline was originally end of September but that has now been extended to June 2019. The key message to the ESIF Sub Committee on spend commitment is there is scope to move the funds around between themes to address the lower spend in some of them.

4.2. **Sarah** said she hoped to have received some applications by the next meeting to provide updates on. The ESIF Sub Committee do not need to provide any further comment on the full application stage unless there is a significant change from the Expression of Interest stage. **Sarah** clarified that, once received, the application must be processed by the Rural Payments Agency within 60 working days.

4.3. The ESIF Sub Committee asked whether it is possible to provide a bigger picture on the other funding streams, not just EAFRD and Leader. **Sarah** confirmed that she can and will pull off a report detailing all those other funding streams that are available in the Thames Valley Berkshire LEP area. **Sarah** also confirmed that there is a communications pack she can provide which will also help illustrate this.

Action 1 –

- **Sarah McGinn to provide a report on the other funding streams available in the Thames Valley Berkshire LEP area and also to provide a Rural Funds communications pack to the ESIF Sub Committee.**

4.4. **Sarah** provided a verbal update on the Rural Sub Group, Stuart Anderson is the sponsor for all the projects in this area so he will be liaising with each of them in the application process to support them.

5. ESF National Programme Update

5.1. **Joanna Wright** provided a verbal update on the national programme, she confirmed that the N+3 target is running to plan and that is their primary focus. She also confirmed that the recruitment process for the vacant posts is almost complete, they now have 6 new members of staff who joined recently and another 6 will be joining soon – these new staff will help with the appraisal process.

6. ESF LEP Call and Progress Update

6.1. **Joanna Wright** referred to the recent publication of the new allocations following the revised exchange rate. The Investment Priorities are currently under review and there is an opportunity to publish a call on 15 October 2018 if desired. Also It was confirmed that they are awaiting confirmation from ESFA on the status of the potential for extension requests that could be submitted as project change requests. The ESIF Sub Committee acknowledged that there is an additional £3m across ERDF and ESF in the revised allocation for the Thames Valley Berkshire LEP area and it is important that the LEP area responds to this in the right way to ensure it makes the best use of the additional funds. In Investment Priority (IP) 2.1 for example lack of sufficient match funding is an issue so that needs to be taken into consideration. The consensus of the ESIF Sub Committee was not to proceed with an October 2018 call but instead wait until after the ESFA calls have closed to see what the potential commitment position is at that point. That way it will be possible to target specific IPs where there is still a lack of commitment. It was acknowledged that there will be a relatively quick turnaround required on this though.

6.2. For the ESFA Opt In the deadline for committing funds is March 2019, for the Big Lottery Fund Opt In this has not yet been confirmed but it is expected the announcement will be made soon.

6.3. **Joanna** confirmed that next summer there is likely to be a reserve funds pot of funding made available for LEPs which will be made up of unallocated funds nationally.

7. ERDF National Programme Update

7.1. **Graham Watt** spoke to the ERDF National Programme update paper that had been circulated, highlighting key points. The national position is that the N+3 target is likely to be achieved and exceeded. However the Greater South East Growth Delivery Team's target remains at risk despite a number of measures to mitigate this risk, including N+3 focused meetings with projects, to ensure every opportunity to maximise spend is being considered. The deadline for authorising claims to be included in the final European Commission Payment Application is 9 November 2018.

7.2. There will be October 2018 and March 2019 calls which will be discussed in agenda item 10. There will be a reserve fund launched in November 2019, this will be a national call with the aim to allocate all remaining funds after the October 2018 and March 2019 calls when the commitment picture will become clearer.

7.3. The exchange rate has changed to 0.9033 from 0.78, this has resulted in an increase to the ERDF allocation nationally and for the Thames Valley Berkshire LEP area allocation there is an additional £1.8m available. The exchange rate is slightly different to the one now being used for ESF due to the impact of the ESF Opt Ins and the top slicing to the Prison Service. The ESIF Sub Committee voiced its concerns around the different exchange rates and this had also been raised at the Growth Programme Board recently.

7.4. **Graham Watt** stated that there was a UK Shared Prosperity Fund consultation event that was held in London earlier this month and that there was another one scheduled in Norwich on 4 October 2018. **Chris Armstrong** added that the issue of lack of match funding was raised at the event by members of the ESIF Sub Committee and other attendees at the event. The ESIF Sub Committee was concerned that the comments at the end of the event while positive did not necessarily reflect the strong points made in the group discussions and also noted that the discussion was ESIF focused and there was not much on the Local Growth Fund for example. **Graham** reassured the Committee that full notes had been taken of the table discussions, which were being fed into the consideration and development work.

8. ERDF Local Programme Update (including three specific project updates)

Chris Armstrong spoke to the written update and summarised the local position of the fund and the pipeline projects.

8.1. The ESIF Sub Committee voiced its concerns around the amount of time these applications have taken to progress and specifically asked why ERDF and EAFRD processes appear to be so different. **Chris Armstrong** explained that the process is similar but due to the scale and complex nature of some ERDF projects additional details were often required in the full application. Following submission and review of the Full Application ERDF applicants were normally invited to respond to clarification questions.

8.2. The Managing Authority (MA) confirmed that it was not willing to contract with a project applicant if there are still eligibility, deliverability or compliance issues. If the responses to clarification questions did not resolve these issues further clarification questions would be issued. Ultimately, applications that were ineligible or non-compliant would be rejected, but where there were a limited number of applications the MA would seek to resolve issues through the clarification process where possible, particularly where projects appear to offer a good local strategic fit and good value for money. The ESIF Sub Committee suggested that the Greater Thames Valley group of LEPs meet to pool ideas and share best practice.

Action 2 –

- **The Managing Authority to convene a meeting of the Greater Thames Valley group of LEPs to pool ideas, share best practice and to look to the reserve fund for opportunities to fill in the current gaps in commitment.**

8.3. The ESIF Sub Committee asked where there are generic or systemic issues across project applications, such as state aid for example can some generic advice be provided to applicants. The Managing Authority confirmed that there is guidance available and constructive feedback on a face to face basis is provided following the outline assessment.

9. ERDF Applications

9.1. Emm Brook Restoration Project

Emily Wright introduced the appraisal of the full application for discussion by ESIF Sub Committee members regarding value for money and strategic fit. Since the outline there has been a change to the applicant organisation, from the Environment Agency to the South East Rivers Trust. The application is requesting £250,000 ERDF which is a slight increase from that requested at outline application. The Value for Money is good, the project will use 100% of the PA6 allocation and provide 127% of the Thames Valley Berkshire LEP's C23 output target for this PA (C23 is surface of habitats supported to attain better conservation status). The Managing Authority noted that there are some planning issues to overcome before the project can go ahead. The ESIF Sub Committee noted that the application provided good value for money and local strategic fit.

South East Thatcham Flood Alleviation Scheme

9.2. **Emily Wright** introduced the appraisal of the full application for discussion by ESIF Sub Committee members regarding value for money and strategic fit. The application is requesting £250,000 ERDF so 100% of the PA6 allocation but is only proposing to support 2 hectares or 25% of the Thames Valley Berkshire LEP's output target for this PA (C23 surface of habitats supported to attain better conservation status). The planning is now in place. The ESIF Sub Committee noted that the application provides good value for money and local strategic fit.

9.3. The ESIF Sub Committee asked whether it would be possible to support both of the PA6 applications. It was confirmed that the Head of the Greater South East Growth Delivery Team in the Managing Authority is discussing the potential to move funds from other areas to allow both projects to be supported.

Action 3 –

- **MA to confirm if it is possible to move in PA6 funds from other areas to allow both PA6 applications to be supported, by the next meeting.**

9.4. Thames Valley New Energy

Chris Armstrong introduced the appraisal of the full application for discussion by ESIF Sub Committee members regarding value for money and strategic fit. The application is requesting £1.46m ERDF so 49% of the PA4 allocation for the Thames Valley Berkshire LEP area but it is proposing to deliver 100% of PA4 Performance Framework target for C1 (number of enterprises receiving support) and 33% of the target for C34 (estimated annual decrease of greenhouse gases). There have been a number of key changes since the outline, including a change to the lead applicant, changes to the delivery partners, outputs, costs and match funding. The strategic fit is considered to be satisfactory. The ESIF Sub Committee suggested a summary paper to be circulated by written procedures or to set a 30 day deadline to resolve the outstanding issues otherwise the application will have to be rejected. **Chris Armstrong** confirmed the latter is already in place as the applicant has been given a deadline of 22 October 2018. If the

application is rejected as a result then to the funds would be re-allocated in the March 2019 Call.

10.ERDF Calls

- 10.1. **Chris Armstrong** confirmed that the October 2018 Priority Axis (PA) 3 call was due to be published on 5 October and a draft March 2019 PA4 call would be discussed at the next meeting.

11.AOB

- 11.1 **The Chair** confirmed there was no further business so closed the meeting.

Date, time and venue of next meeting:

- 30 January 2019 was suggested subject to venue availability – **Joanna Birrell** offered to check and confirm if there is a room available at Green Park.

Action 4 –

- **Joanna Birrell to check and confirm if there is a room available at Green Park.**

Annex A

List of Agreed Actions from 26 September 2018 Thames Valley Berkshire LEP Area ESIF Sub Committee Meeting

Agenda Item	Action	Action assigned to
4	Sarah McGinn to provide a report on the other funding streams available in the Thames Valley Berkshire LEP area and also to provide a Rural Funds communications pack to the ESIF Sub Committee.	Sarah McGinn
8	The MA to convene a meeting of the Greater Thames Valley group of LEPS to pool ideas, share best practice and also to look to the reserve fund for opportunities to fill in the current gaps in commitment.	Graham Watt
9	ERDF MA to confirm if it is possible to move in PA6 funds from other areas to allow both PA6 applications to be supported, by the next meeting.	Graham Watt
11	Joanna Birrell to check and confirm if there is a room available at the Green Park Conference Centre.	Joanna Birrell

Annex B Attendee List

Thames Valley Berkshire LEP Area ESIF Sub-Committee 26 September 2018 meeting

Chair & Deputy Chair:

Name, title and organisation	Sector/Organisation Representing
Huw Edwards	Chair
Graham Watt	ERDF Managing Authority (MHCLG)

Sub-Committee Members:

Name, title and organisation	Sector/Organisation Representing
Gillian May, BCA	Employment and Skills
Joanna Birrell, Thames Valley Berkshire LEP	LEP
Tim Smith, CEO - Thames Valley Berkshire LEP	LEP
Tim Parry, CEO - CCB	Rural Community
Keiran Magee, Unite (RBC)	Union

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

Name, title and organisation	Sector/Organisation Representing
Joanna Wright	ESF Managing Authority (DWP)
Sarah McGinn	EAFRD Managing Authority (RPA)
Chris Armstrong	ERDF Managing Authority (MHCLG)
Emily Wright	ERDF Managing Authority (MHCLG)
Paul Smith	ERDF Managing Authority (MHCLG)

Apologies:

Name, title and organisation	Sector/Organisation Representing
David Gillham	Higher Education
Dominique Unsworth	Social Enterprise
Ben Burfoot	Environment
David Knowles-Leak	Employer Representation: Business Partners representing SMEs