



European Union

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

Growth Programme for England

South East LEP Area ESI Funds Sub Committee

Minutes of meeting held 16 July 2018

Europe House, 32 Smith Square, London, SW1P 3EU

Agenda:

1. Welcome and introduction
2. Minutes of 26 April 2018 meeting and progress of actions
3. European Social Fund (ESF) National Programme Update
4. ESF South East Local Enterprise Partnership (LEP) Update
5. European Agricultural Fund for Rural Development (EAFRD) National Programme Update
6. European Regional Development Fund (ERDF) National Programme Update
7. ERDF General Update on Applications, Budgets & Calls
8. ERDF Assessments/Appraisals
9. Any Other Business

1. Welcome and introduction

- 1.1 The **Chair** thanked the ESIF Sub Committee for their attendance and apologies were noted as detailed in Annex B.
- 1.2 There are some changes to the membership of the ESIF Sub Committee. Cllr Alan Goggin will replace Cllr Gagan Mohindra and Cllr James Courtenay will replace Cllr John Lamb.

2. Minutes of 26 April 2018 meeting and progress of actions

- 2.1. Action 3 from the 28 September 2017 meeting will be carried forward. Helen Dallas to put Cllr Mark Dance in touch with EAFRD policy contact on rural broadband. This action has now been transferred to Sarah McGinn. Action 2 (Sarah McGinn) from the 26 April 2018 meeting remains open.
- 2.2. There were two corrections requested to the 26 April 2018 draft minutes which were otherwise agreed as an accurate record of the meeting. The corrections are as follows: On page 2 "Contract Thurrock" should read "On Track Thurrock" and on page 5 "Deputy Mayor John Lamb" should be replaced by "Deputy Leader James Courtenay".

3. ESF Programme Update

- 3.1. **Joanna Wright** presented her written updates. She gave an update on current ESF work before inviting questions from the ESIF Sub Committee. **Joanna Wright** updated the ESIF Sub Committee on the recruitment to the ESF Managing Authority (MA). Eight new members of staff along with six Contract Managers will be joining the team. A further four members of staff will be recruited. This should improve service to applicants. **Joanna** confirmed that she would be continuing as the ESF representative on the South East ESIF Sub Committee.
- 3.2. The ESF MA focus is currently on appraisals for Technical Assistance and Youth Employment Initiative (YEI) extensions and achieving N+3 targets which have been achieved on paper, but require defrayal and claims to be submitted and paid by commission by end of year. The Operational Programme review has been submitted to the European Commission and feedback is due in autumn 2018. Work is on-going centrally regarding interest rates. The Education and Skills Funding Agency (ESFA) has been the first opt-in to contact local areas about extension of the programme.
- 3.3. **Joanna Wright** said that there were no concerns about the rate of spend in the South East LEP area. There is likely to be a call for IP2.2 in November 2018, which may be brought forward to early autumn 2018.
- 3.4. The ESIF Sub Committee then discussed the update. In response to a question about a potential dividend from a change to exchange rates used by the ESF programme, **Joanna Wright** noted that the amount of increase this may present to the area is not known at this stage. **Joanna** also acknowledged that appraisals were taking longer and that work was being done to help applicants prepare for this.
- 3.5. The **Chair** thanked officers for keeping commitment ahead of target.

Action 1:

- **Joanna Wright to circulate a corrected copy of the ESF Management Information (MI) showing allocation and spend against IP3.**

4. ESF South East LEP Update

- 4.1. **Louise Aitken** gave a verbal update on ESF projects in the South East LEP area. All LEPs have been contacted by the Education and Skills Funding Agency (ESFA) with an offer of match for ESF for certain priority areas. South East LEP will be putting in £7 million to calls which creates £14 million of investment. Calls will be going out in August 2018 under priorities 1.1, 1.2, 1.4 and 2.1. South East LEP will be involved in the governance panel and bidders will be asked to include evidence of local need, links to the LEP ESIF Strategy and local skills strategies. The call is expected to be open for 28 days but that has not been confirmed by ESFA. Louise said that the South East LEP would ensure that feedback on previous delivery and lessons learned was taken on board by the ESFA.

5. EAFRD National Programme Update

- 5.1. The ESIF Sub Committee reviewed the written update provided by **Sarah McGinn**. The EAFRD MA had to offer apologies for this ESIF Sub Committee meeting because of its current workload of Expressions of Interest (EOIs) received by the programme deadline on 31 May 2018. Nationally the EAFRD MA received 660 EOIs compared to 1,200 in the preceding eighteen months.

Action 2:

- **Sarah McGinn to update the ESIF Sub Committee about the possibility of future EAFRD calls.**

6. European Regional Development Fund National Programme Update

- 6.1. **Georgia Pritchard** spoke to the circulated paper highlighting key points. There is good progress nationally against the N+3 target. A new round of calls is due to be published in October 2018. Policy discussions are continuing about a possible exchange rate change which could lead potentially to more allocation, new calls and swaps with other LEP areas. Sixty one applicants are now using E-claims.
- 6.2. **Georgia Pritchard** then gave an update on the development of the UK Shared Prosperity Fund (UKSPF). There will be events for stakeholders before the formal consultation. The Greater South East events will be held in London and Norwich.
- 6.3. The Chair stated his approval of the format of the ERDF update.

Action 3:

- **ESIF Sub Committee members interested in attending the UKSPF event to contact Lorraine George or Jo Simmons to enable them to co-ordinate a response to the Ministry of Housing, Communities and Local Government.**

7. European Regional Development Fund General Update on Applications and Calls in the South East LEP area

- 7.1. **Martin Haindl** presented the Management Information dashboard for the South East LEP area and drew out key points. Priority Axis (PA) 1 is 55% committed and a new call is due in October 2018. PA4 is fully committed.
- 7.2. On the PA8 Community-led Local Development (CLLD) projects, **Martin** said that the three projects (in Hastings, Folkestone and Tilbury) were making progress after a slow start. In responses to a question from the ESIF Sub Committee, **Martin** said that delays had been largely to do with the complexity of setting up and running the programme.

8. ERDF Assessments

- 8.1. The **Chair** introduced the item and asked the ESIF Sub Committee to provide local strategic fit and value for money advice on the applications presented to them.

R&D 4 SMEs

- 8.2. **Martin Haindl** presented the project. The project is seeking £1,312,149 ERDF against total project costs of £2,624,298 to deliver a programme of support to SMEs in the creative, cultural and media sector. The aim is to assist SMEs to keep pace with advancing technologies, and also to provide support in developing new digital technologies. The ESIF Sub Committee raised a number of points about the project. There was a request for more detail about the mobile lab set out in the application, a request that it visit all areas of the South East LEP and a question about its eligibility. The ESIF Sub Committee was keen to see a more developed evidence base of demand for the project, evidence of engagement with key partners (such as the South East Creative Economy Sub Group) and demonstration that there was no duplication with similar projects and facilities, particularly in universities. Overall, the Sub Committee agreed that the project had local strategic fit but that the points discussed should be addressed.

Manufacturing Growth Programme 2

- 8.3. **Martin Haindl** introduced the project. The project will cover 16 LEP areas. The value of the project in the South East LEP area will be £2,800,000 total and £1,400,000 ERDF. The overall aim of the project is to help SME manufacturers to make improvements resulting in increased productivity levels. SMEs will receive bespoke strategic, technical support and grant funding. The project will provide SME manufacturers with a comprehensive package of support.
- 8.4. The **Chair** asked the ESIF Sub Committee for comments and questions. There was a question about whether the project had to have a target for C5 – Number of New Enterprises Supported. The MA clarified that the target could be omitted if there was a valid reason.
- 8.5. The ESIF Sub Committee felt that it was beneficial that the project employed private sector expertise. Members of the ESIF Sub Committee felt that the project needed to be aware of the risk of duplication with other projects and that better data on how the project would specifically meet the needs of the South East LEP area would be helpful. Overall, the Sub Committee agreed that the project had local strategic fit but the points discussed above should be addressed.

Mercury Rising

- 8.6. The **Chair** declared an interest, as the Mercury Theatre is a member of the Haven Gateway Partnership. Georgia Pritchard took the Chair for this item. **Martin Haindl** presented the project which is at the full application stage. The project is seeking £1,258,305 ERDF against total project costs of £2,741,111. The project aims to support SMEs from the creative industry sector by providing incubation space on the site of Colchester Mercury Theatre for 15 tenant SMEs. **Martin** noted the changes from the outline application; costs have gone up but without negative impact on value for money and business support will now be delivered more intensively to 100 rather than 200 businesses. The ESIF Sub Committee was keen that the project was coordinated effectively with the existing South East - Creative, Cultural & Digital Sector (SECCADS) project and business support from the University of Essex. In addition to this the ESIF Sub Committee noted that more detail is required on how the project would deliver across the whole of the South East LEP area. Overall, the ESIF Sub Committee agreed that the application provided good local strategic fit.

9. AOB

- 9.1. The **Chair** noted that he will not be available in January and February 2019 for future meeting dates.
- 9.2 The ESIF Sub Committee agreed to consider full applications via electronic written procedure as they are completed.
- 9.3 The **Chair** thanked members for the attendance and closed the meeting.

Date, time and venue of future meetings:

- Date: 12 November 2018, Europe House, 32 Smith Square, London, SW1P 3EU

Annex A

List of Agreed Actions from 16 July 2018 South East LEP area Sub-Committee Meeting

Agenda Item	Action	Action Assigned to
3	<u>Action 1:</u> Joanna Wright to send a corrected copy of the ESF Management Information showing allocation and spend against IP3.	Joanna Wright
5	<u>Action 2:</u> Sarah McGinn to update the ESIF Sub Committee about the possibility of future EAFRD calls.	Sarah McGinn
6	<u>Action 3:</u> ESIF Sub Committee members interested in attending the UKSPF event to contact Lorraine George or Jo Simmons to enable them to co-ordinate a response to the Ministry of Housing, Communities and Local Government.	ESIF Sub Committee members/ Lorraine George and Jo Simmons

Annex B Attendee List

South East LEP Area ESI Funds Sub-Committee 16 July 2018 meeting

Chair & Deputy Chair:

Name, title and organisation	Sector/Organisation Representing
George Keiffer	South East LEP
Georgia Pritchard (Deputy Chair)	ERDF Managing Authority (MHCLG)
Martin Haindl	ERDF Managing Authority (MHCLG)

Sub-Committee Members:

Name, title and organisation	Sector/Organisation Representing
Joanna Wright	Managing Authority (ESF)
Mike Weed	Higher Education
Louise Aitken	South East LEP
Lorraine George	South East LEP
Cllr James Courtenay	Local Authority
Adam Scott	Rural
Tudor Price	Private Sector

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

Name, title and organisation	Sector/Organisation Representing
Tim Whelehan	Managing Authority (MHCLG)
Lisa Ricketts	Local Authority - Observer
Katy Thomas	Local Authority - Observer
David Sheppard	Private Sector
Jo Simmons	South East LEP
Sarah Nurden	Local Authority – Observer
Chris Burr	Local Authority – Observer
Rebecca Handelaar	Local Authority – Observer

Apologies:

Name, title and organisation	Sector/Organisation Representing
Cllr Gagan Mohindra – stepped down	Local Authority
Rick Rhodes	Managing Authority (DWP)
Alison Parmar	Private Sector
Sarah McGinn	Managing Authority (RPA)
Chris Evans	Voluntary Sector
Adam Bryan	LEP
Keith Moore	Voluntary Sector