



**Solent LEP ESI Funds Sub-Committee**

**Minutes of meeting held on Wednesday 11 July 2018**

**Room 121, Southampton City Council, Civic Centre, Southampton SO14 7LY**

**Agenda:**

1. Welcome and introduction
2. Minutes of 29 January 2018 meeting and progress of actions
3. European Social Fund (ESF) National Programme Update
4. ESF Full Application
5. European Agricultural Fund for Rural Development (EAFRD) National Programme Update
6. EAFRD Rural Sub Group Update
7. European Regional Development Fund (ERDF) National Programme Update
8. ERDF Financial Update
9. ERDF Outline Assessments
10. Any other business

**1. Welcome and introduction**

1.1. **The Deputy Chair** welcomed everyone to the meeting and explained that the Chair had sent her apologies and would arrive at the meeting later.

1.2. Apologies were received from Di Roberts, Sarah McGinn, Stuart Baker, Kerrie Honey, Tim Houghton, Ricky Killick, Graham Watt, Andy Tickner and Leone Hill.

**2. Minutes of 29 January 2018 meeting and progress of actions**

2.1. **The Deputy Chair** took members through the minutes from the last meeting.

2.2. **Action 2 - Claire Maguire** agreed to provide more detail regarding the European Social Fund Management Information at the next meeting. **Action 4 - Mark Pembleton** agreed to send the Midlands Manufacturing Advisory Service evaluation to the Secretariat, which he did at the meeting.

2.3. All other actions were confirmed to be closed. **Claire Maguire** noted that the Department for Work and Pensions' (DWP) apologies at the previous meeting was due to a clash of meetings and confirmed that they will try to ensure someone is able to attend future meetings.

2.4. The minutes were agreed.

### 3. ESF National Programme Update

- 3.1. **Claire Maguire** presented a verbal update on the ESF national programme and provided an update on the application pipeline, confirming that there are four applications in appraisal and one that is being considered today. Overall the Solent performance was considered to be good and is in a fairly comfortable position. **Claire** made reference to the Big Lottery Fund and Managing Authority letters that were circulated with the papers.
- 3.2. **Claire Maguire** confirmed that claims received after the end of September will not count towards the annual N+3 spend target achievement so the focus is on processing claims before then. The ESIF Sub Committee asked about timeframes for the current pipeline of applications. **Claire** will circulate this via the Secretariat.

#### Action 1

- **Claire Maguire to send timeframes for the current pipeline of applications to the secretariat.**
- 3.3. The ESIF Sub Committee discussed the opportunity to go in with another ESFA opt-in which allows the ESF to go out fully matched. Within this there was a discussion on the 4 national calls that were on offer. **Siobhan Flynn** outlined the considerations for the proposal and an assessment of the offers in relation target groups & how they align to the priorities in the Solent LEP area. All of which was discussed in detail at the Employment and Skills Board (ESB) on 13th June; following previous request from the Solent ESIF Sub Committee that further expert advice would be helpful. The advice from the ESB to the Solent ESIF Sub Committee was to enter into Skills support for the workforce and NEETS national calls. In terms of timescales the position from the ESFA is that they will be issuing calls over the summer, with the intension to have contracts in place from the 1st April 2019. Current projects run to the 31st March 2018. It was acknowledged that timescales were tight to achieve.
- 3.4. **Claire Maguire** also added that she is working together with **Siobhan** to see whether it is possible for unallocated funds under Investment Priority 2.2 to be reallocated elsewhere.

### 4. ESF Full Application

#### Solent Apprenticeship Hub

- 4.1 **Claire Maguire** presented the project and provided a verbal summary of the application's appraisal. Mark Pembleton and Sarah Duckering both declared an interest in the project. The project is seeking £958,499 from Solent LEP area with £1,916,997 total expenditure and is forecasting to support 1,620 participants. The Managing Authority's view is that the project offers very good value for money, better value than the call's requirements, and it fits well with the call. The call asked for level 3 and above but this application scores level 4.
- 4.2 The ESIF Sub Committee agreed with the Managing Authority's appraisal and was supportive of the application, suggesting that it meets the requirements for value for money and local strategic fit.

## 5. EAFRD National Programme

5.1. **Siobhan Flynn** provided a verbal update in Sarah McGinn's absence. Sarah had sent her apologies stating that she was unable to attend the meeting due to the high volume of Expressions of Interest they had received recently. In summary EAFRD should be on target to commit all of Solent's notional allocation.

## 6. Rural Sub Group Update

6.1 The Rural Sub Group update was provided under item 5.1.

## 7. European Regional Development Fund (ERDF) National Programme Update

7.1. **The Deputy Chair** presented the ERDF National Update and confirmed that 527 projects are now contracted nationally. A key priority now is meeting the N+3 commitment target. The commitment profile across years of the programme means that £515m must be spent by the end of 2018. Nationally it is looking achievable but on a Greater South East (GSE) Growth Delivery Team level it is more challenging. The GSE Growth Delivery Team have no Financial Instrument expenditure. The N+3 target continues to be closely monitored.

7.2. The next round of Calls will be in October 2018.

7.3. **The Deputy Chair** explained the proposed change to the exchange rate used to calculate the LEP's notional allocation. The rate has increased since the start of the programme and once this is taken into account, LEP allocations should see an uplift and additional funds become available; it is anticipated this will be confirmed before the summer House of Commons Recess. One proposal being considered is a reserve fund but how this will actually work will be confirmed at a later date. .

7.4. 61 applicants are now using ECLAIMS to submit claims and many more are scheduled to come on board later this year.

7.5. There will be some UK Shared Prosperity Fund engagement events soon. The Department for Business Enterprise Innovation and Skills (BEIS) is leading on these events but the Ministry of Housing, Communities and Local Government (MHCLG) and the DWP will also be at the events. One of these dates will be in London in September 2018. The events will provide an update on how the fund has progressed since the previous communications regarding this. The formal consultation is expected to start in the autumn 2018.

7.6. Resource issues within the GSE Growth Delivery Team are being addressed with some staff being moved from Appraisal to Contract Management and two additional members of staff had now been recruited.

## 8. ERDF Financial Update

8.1. **Walter Bernard** gave a local update, speaking to the Management Information summary tables paper that was circulated. **Walter** discussed the Financial

Commitments at programme and project level and progress towards delivery of outputs. There was some discussion on the progress of three specific pipeline projects – SEQUOIA, Get Set Solent and Solent Business Support:

8.1.1. SEQUOIA is still being assessed and will be circulated via written procedures soon.

8.1.2. Get Set Solent is one of a number of applications submitted across the country by YKTO so these are being reviewed collectively. Some of these applications have been rejected due to eligibility issues. Get Set Solent is still under review and not ready for the meeting.

8.1.3. Solent Business Support is at the final stages of appraisal, but there are final checks to do on the work-streams, match and State Aid, which meant it was not ready for the meeting. This raised discussions about the length of time for appraising projects. Walter confirmed this project had been progressed in a swift manner but delays had arisen due to queries being raised. The final appraisal would be circulated by Written Procedure over the summer.

8.2. The ESIF Sub Committee voiced concern over the time it has taken for these applications to be considered by the Managing Authority. **Walter** responded to this to confirm that the timescales had not been unreasonable and there had been a number of iterations of the full applications to consider. While the Managing Authority would like to conclude the appraisal quickly, queries and eligibility issues must be addressed first. **Mark Pendleton** offered to speak to the Project Manager to ensure the issues and queries are resolved as soon as possible.

#### **Action 2:**

- **Walter to circulate timescales for progressing Solent Business Support through the MA's two stage process.**

8.3. **Walter Bernard** confirmed that October 2018 calls will be published on 5 October 2018, draft specifications are required by 16 August and the final version by 11 September (although Walter and Siobhan will liaise with each other a few days before in order to finalise the wording) before being published on 5 October and closing on 23 November. The March 2019 call deadline for specifications is 25 January and the final version is required by 19 February, before being published on 22 May and closing on 3 May.

## **9. ERDF Outline Assessments**

### **Manufacturing Growth Programme (MGP II) Phase 2**

9.1. There were no declared conflicts of interest. **Walter Bernard** introduced the project and provided a summary of the assessment. The project is seeking £500,000 ERDF from Solent LEP area with £1,000,000 total expenditure (£22.6m total) and is forecasting to support 86 enterprises across Solent (1,949 in total). The project will provide manufacturing support to 16 LEP areas including Solent. The delivery model for MGP II is based upon that used in the current Manufacturing Growth Programme

which will run until 30 September 2019. It is anticipated that there will be a 6 month overlap of the projects. The current project is being delivered by WMMBF Ltd.

9.2. The ESIF Sub Committee commented that the engagement of local practitioners is important to the success of this project and therefore requested that **Walter Bernard** ensures this happens. The ESIF Sub Committee agreed that this project provides good overall value for money and local strategic fit.

### **Action 3**

- **Walter Bernard to communicate to Midlands GDT that the applicant should ensure the project encourage local Solent practitioners to be engaged in this project to ensure it is successful.**

### **Blue Economy and Big Data for Marine & Maritime**

9.3. There were no declared conflicts of interest. **Walter Bernard** introduced the project and provided a summary of the assessment. The project is seeking £732KERDF and is forecasting to support 100 enterprises. It was suggested that perhaps it was too specific to focus on Maritime and Marine (M&M) sectors and should look to broaden the sectors slightly i.e. to areas less obviously connected to M&M but which would benefit . The ESIF Sub Committee believed there was good fit with strategic sectors and good value for money being offered.

### **Supporting Innovation and Growth in Healthcare Technologies (SIGHT)**

9.4. There were no declared conflicts of interest. **Walter Bernard** introduced the project and provided a summary of the assessment. The project is seeking £781K ERDF and is forecasting to support 100 enterprises. There was some overlap with PA1 within the work-packages and the public match situation needs clarifying. Also there appears to be some potentially ineligible expenditure and concerns around the delivery being focused too narrowly around Portsmouth given the composition of the partnership. . Overall the ESIF Sub Committee believed the project offers good value for money and satisfactory local strategic fit.

## **10. Any Other Business**

- 10.1. **The Chair** wanted to raise a point on the ESF Managing Authority (DWP) letter circulated with the papers, stating that consulting with the LEPs on social inclusion needs a wider focus. There was also a query about the delivery of the ESF Programme after the UK leaves the European Union. **The Deputy Chair** noted that this would be covered in the UKSPF engagement and was discussed under Item 7. These events will provide more of an update on the proposed future programmes and funds that will be available.
- 10.2. Possible future meeting venues proposed are Portsmouth or Southampton City Council again. Secretariat to confirm if Southampton is chosen before the end of July 2018 to ensure availability. **Chris Brammall** suggested that the Isle of Wight is not a good location to travel to in November due to the potential impact of weather but is keen to host the meeting next year.

**Action 4**

- **Secretariat to confirm date for next meeting and venue.**

**Date and time of future meetings:**

- 20 November 2018 (proposed) - venue TBC

## Annex A

### List of Agreed Actions from 11 July 2018 Solent Area Sub-Committee Meeting

<b>Agenda Item</b>	<b>Action</b>	<b>Action Assigned to</b>
<b>3</b>	<b>Action 1: Claire Maguire to send timeframes for the current pipeline of applications to the Secretariat.</b>	<b>Claire Maguire</b>
<b>9</b>	<b>Action 2: Walter to circulate timescales for progressing Solent Business Support through the MA's two stage process.</b>	<b>Walter Bernard</b>
<b>9</b>	<b>Action 3: Walter Bernard to communicate to Midlands GDT (in the lead) that the Manufacturing Growth Programme 2 applicant should ensure the project encourage local Solent practitioners to be engaged in this project to ensure it is successful.</b>	<b>Walter Bernard</b>
<b>10</b>	<b>Action 4: Secretariat to confirm date for next meeting and venue.</b>	<b>Secretariat</b>

## Annex B Attendee List

### Solent LEP ESI Funds Sub-Committee 11 July 2018 meeting

#### Chair & Deputy Chair:

Name, title and organisation	Sector/Organisation Representing
Denise Edghill	Southampton City Council (Chair)
John Osborne (in the absence of Graham Watt)	MHCLG (Deputy Chair)

#### Sub-Committee Members:

Name, title and organisation	Sector/Organisation Representing
Chris Brammall	Isle of Wight Council
Mark Pembleton	Portsmouth CC
Sarah Duckering	University of Portsmouth
Siobhan Flynn	Solent LEP
Claire Maguire	ESF MA
Peter Grant	Hampshire and Isle of Wight Business Alliance

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

Name, title and organisation	Sector/Organisation Representing
Paul Smith	Secretariat
Elizabeth Smith	Southampton City Council
Walter Bernard	ERDF MA

#### Apologies:

Name, title and organisation	Sector/Organisation Representing
Andy Tickner	Hampshire County Council
Di Roberts	Further Education/ Brockenhurst College
Sarah McGinn	EAFRD MA
Tim Houghton	Community First
Alan Bardos	EAFRD MA
Leone Hill	DWP (JCP)
Kerry Honey	DWP (JCP)
Ravneet Viridi	BEIS
Hannah Rignall	BEIS
Mike O'Neill	Environment Agency
Stuart Baker	Solent LEP
Ricky Killick	BEIS
Graham Watt	ERDF MA