



Dorset ESI Funds Sub-committee

Minutes of meeting held 25 February 2019

**University House Boardroom, Arts University Bournemouth, Wallisdown,
Poole, Dorset BH12 5HH**

Agenda:

1. Welcome and introduction
2. Minutes of 31 January 2018 meeting and action update
3. Updates, Future Look and Risk
4. European Regional Development Fund (ERDF) Assessments
5. Future ERDF Calls
6. Items for Information

1. Welcome and introduction

- 1.1. The Deputy Chair welcomed members and thanked **Emma Hunt** for hosting the meeting.
- 1.2. The Deputy Chair informed the members that Nicola Bailey from the FSB has been appointed as the Business sector representative.
- 1.3. Apologies were noted, as detailed in Annex B.
- 1.4. The following declarations of interest were noted:
 - **Adrian Trevett** declared an interest in the Dorset Business Growth (Dorset Growth Hub) project.
 - **David Walsh** declared an interest in the Dorset Business Growth (Dorset Growth Hub) project, the Enterprising Dorset project and the Poole E-Buses project.
 - **Steve Place** declared an interest in the Dorset Business Growth (Dorset Growth Hub) project.
- 1.5. There were no declarations of interest from **Emma Hunt**.

2. Minutes of 31 January 2018 meeting and action update

- 2.1. Members agreed that the minutes were an accurate record of the previous meeting.
- 2.2. The actions from the last meeting were reviewed and the following updates provided:
 - Action 1 – Members to provide any nominations for a replacement Business representative member to the Secretariat – **completed**.
 - Action 2 – European Social Fund managing authority (ESF MA) to provide secretariat with latest performance data for inclusion at each meeting – **ongoing**.

Official

- Action 3 – Secretariat to invite WSX to provide a further update on progress at the next committee meeting – **ongoing**. (Moved to next meeting due to a conflict of interest within this meeting).
 - Action 4 – Secretariat to include a future agenda item for the committee to review any changes to project targets and expenditure since contract – **covered in item 3**.
 - Action 5 – Further ESF delivery update requested, to include progress on delivery to date as well as projections for the next six months – **completed**.
 - Action 6 – LEP to work with managing authority to provide local priority text for inclusion in the national PA3 internationalisation call – **completed**.
 - Action 7 – The ERDF managing authority (ERDF MA) to work with the Chair and LEP to identify suitable timings of a relaunch event – **completed**.
 - Action 8 – The secretariat to arrange the next sub-committee meeting at a suitable time before the identified relaunch date – **completed**.
- **Action 1 – The ESF MA and LEP to update the sub-committee with the latest ESF/BBO/SFA performance data.**
 - **Action 2 – The ERDF MA to invite WSX Enterprise to provide a further update on progress at the next committee meeting.**

3. Updates, Future Look and Risk

National Update

- 3.1. The ERDF MA gave an overview of the national performance and tabled graphs summarising delivery against priority axes spend and output targets. HM Treasury has given a guarantee that all legally committed projects and all applications under consideration will continue to be funded regardless of Brexit. The sub-committee were reminded that in terms of ESI Funds, business as usual applies.
- 3.2. Nationally, the ERDF N+3 and 2018 performance framework (PF) targets for PA1, PA2 & PA3 in the More Developed area (which includes Dorset) should be achieved, enabling release of the 6% performance reserve.
- 3.3. PA4 is less likely to achieve the performance framework expenditure target in the More Developed area, although the performance framework output target for PA4 should be achievable. Pending the outcome of claims submitted for spend to the end of December 2018, this may mean the 6% performance reserve is lost for PA4.

ERDF Update

- 3.4. The ERDF MA informed the members that the exchange rate applied to the programme has now been increased from 0.78 to 0.9033. Financially, Dorset is currently 49% legally committed. On PA1 and PA3 the majority of output targets are addressed other than on workspace under PA3 (Target: P2 public or commercial built or renovated) which members were asked to take into consideration should there be an opportunity to draft a further PA3 call.
- 3.5. £11.52m worth of projects are legally committed. Calls were released in November 2018 for PA1, PA3 & PA4. The ERDF MA with **David Walsh** and the **Technical**

Official

Assistance Team took part in a re-launch event with a turn-out of between 20 – 30 people which resulted in several outline applications being submitted to those Calls.

European Agricultural Fund for Rural Development (EAFRD) Update

3.6. A paper was tabled at the meeting and no questions or queries were raised.

European Social Fund (ESF) Update

- 3.7. On a national level N+3 has been met and it will be highly likely that the Performance Framework targets will be met in order to release the 6% reserve, but this will be confirmed at a later date probably around the end of March.
- 3.8. The ESF MA thanked Building Better Opportunities (BBO) and the ESF projects for submitting their claims to which help to meet the N+3 target.
- 3.9. Nationally approx. 50% of monies have been committed which is where you would expect to be at the halfway point in the programme, initially the programme got off to a slow start but there are lots of calls, Project Change Requests and applications in the pipeline which will increase the level of commitment. The reserve fund will be implemented in the Autumn.
- 3.10. Following the exchange rate change £18.43m has been allocated to the Dorset region; overall 67% has been committed with further Project Change requests in the pipeline that are likely to increase the level of commitment.
- 3.11. The ESF MA gave an update on the Priority Axes. 1.1 DWP have contracts to the value of £3.7m ESFA have contracts to the value of £782k. Including Project Change requests in the pipeline 1.1 is 81% committed with £130k left. 1.2 there are no funds available but the LEP have requested funding for £1million to allow a contract with ESFA. 1.4 is currently 82% committed but if the Projects Change Requests for BBO & ESF are agreed the IP will be over committed by 11%. 2.1 is 46% committed.
- 3.12. The ESF MA stated that it is anticipated that they will allow the over commitment in IP 1.2 and 1.4, however if they can't progress the PCR's in in these IPs then they will come back to the committee.
- 3.13. A question was raised around the timings of the Co-Financing Organisations (CFOs) being brought out. The ESF MA stated this was being investigated and they should know within the next 6 weeks.
- 3.14. A question was raised about the outcome of the Written Procedure (WP) of the 19th November. The ESF MA to confirm the outcome of the WP.
- 3.15. The ESF MA agreed to speak to the LEP to request them to provide more info on projects at a local level.
- 3.16. A member queried the values and RAG ratings on page 3 of paper 05. The ESF MA stated that the figures are minus figures as there is no funding in these particular IP's and this is how the MI is shown in instances such as this.

Education and Skills Funding Agency (ESFA) Update

3.17. Two papers were tabled at the meeting. A member questioned the inclusion of volunteers and felt that Serco were not pro-active.

- **Action 3 - The ESF MA to provide information containing the latest position of the co-financing organisations, and specifically the activities and projects being completed**

by the co-financing organisations within Dorset, and to confirm the outcome of the written procedure dated 19th November 2018.

- **Action 4 – Steve Place to approach Serco and the ESF MA about the targeting of the voluntary sector before forwarding communications to the LEP to pass on to the ESFA & BBO teams.**

4. ERDF Assessments

4.1. The LEP tabled a note to members explaining that in a No Deal scenario, it is likely that by the end of March 2019 all LEPs will be asked to prepare a short statement of local priorities (ESIF Committee to sign off) which builds on local work and evidence being collated in the preparation of LISs. The LEP suggested that the sub-committee pause in committing all the funds until further clarity was available. The ERDF MA confirmed that it is still the Government's intention to leave the EU with a deal and that the ERDF programme is operating on a business as usual basis.

PA1 – Digital Healthcare Catalyst

4.2. Members of the sub-committee advised the ERDF MA that this outline application meets the local strategic needs and offered value for money. Members considered that the strategic fit and value for money could be strengthened further if the applicant were to:

- ensure that the project aligns with other support provision – such as clusters support – that is already provided to the healthcare sector in Dorset;
- provide reassurance that the project will engage effectively with local businesses in the sector, including those in the rural areas (not just in the Bournemouth/Poole conurbation).

The members advised the ERDF MA to invite the applicant to submit a full application.

PA1 – Dorset Direct – VFX

4.3. Members of the sub-committee advised the ERDF MA that this outline application did not offer a strong fit with the local strategic needs, but that it does offer value for money. Members considered that the strategic fit could be strengthened further if the applicant were to:

- Recognise and define how the proposed services would align with and add value to the considerable support already being provided to the creative sector in Dorset, including the existing ERDF-funded AUBIS project.

4.4. The committee advised the MA that as the remaining ERDF allocation would only enable funding of one of the proposed projects, the Digital Healthcare Catalyst addressed an identified priority for the local economy which would benefit from additional intervention and therefore should be taken forward. The Dorset Direct – VFX should therefore be placed on a reserve list should any funding be made available.

Official

PA3 – Dorset Growth Hub

4.5. Members of the sub-committee advised the ERDF MA that this outline application meets the local strategic needs and offers value for money. Members considered that the strategic fit could be strengthened further if the applicant were to:

- reconsider the overall costs of the project;
- provide further reassurance that there is sufficient remaining demand for the proposed services from Dorset SMEs with genuine growth potential.

The members advised the ERDF MA to invite the applicant to submit a full application.

PA3 - Enterprising Dorset

4.6. Members of the sub-committee advised the ERDF MA that this outline application meets the local strategic needs and offers value for money.

The members advised the ERDF MA to invite the applicant to submit a full application.

PA3 - High Value Manufacturing Advisory Programme – Dorset

4.7. Members of the sub-committee advised the ERDF MA that this outline application meets the local strategic needs and offers value for money.

The members advised the ERDF MA to invite the applicant to submit a full application.

PA4 - Poole E-Buses

4.8. Members of the sub-committee advised the ERDF MA that this outline application meets the local strategic needs but does not appear to offer value for money, but advised the MA to invite the applicant to submit a full application because, members considered that the value for money could be strengthened. They advised that this could be achieved if the applicant were to:

- provide a robust business case that there is sufficient demand for the operation of a park and ride service year-round at the Creekmore site, including details on how the public will be encouraged to use the park and ride service;
- clarify if consideration has been given to other routes and if the routes proposed are those offering the maximum greenhouse gas savings;
- clarify and provide evidence that the project will act as a demonstration of electric vehicle bus services.

The members advised the ERDF MA to invite the applicant to submit a full application.

5. ERDF Calls

5.1. Pending the outcome on the projects considered in this meeting, there would be insufficient funds available to issue a new call for PA1 or PA3 projects.

5.2. There could be potential to issue a new PA4 call but this will be dependent on the outcome of any extension requests and the Poole E-Buses project. Any future call will be issued via Written Procedure.

Official

6. Items for Information

6.1. The committee asked if the merging of the local authorities in the area would require a change in ESI Funds Sub-committee membership. As per the terms of reference, a review of the committee membership needs to be undertaken anyway and Local Government reorganisation can be factored into the committee membership review. MA to write to all existing members and LEP and ask if new members interested and/or existing members willing to continue

6.2. The ERDF MA offered to provide an update on delivery progress by key projects in Dorset including WSX (Dorset Business Growth), SWMAS (Local Manufacturing Advisory Service) and GWE Business West (Export for Growth).

- **Action 5 – The ERDF MA to write to all existing members and the LEP to ask if there are any new members interested and/or if existing members are willing to continue the representation on the committee and also the MA to review membership following implications arising from Local Government re-organisation.**
- **Action 6 – The ERDF MA to provide an update on delivery progress by key projects in Dorset including WSX (Dorset Business Growth), SWMAS (Local Manufacturing Advisory Service) and GWE Business West (Export for Growth).**

7. Date, time and venue of future meetings

7.1. To be confirmed.

- **Action 7 – The ERDF MA to identify a suitable date for the next meeting.**

Official

Annex A

List of Agreed Actions from 25 February 2019 Dorset Sub-committee Meeting

Agenda Item	Action	Action Assigned to
2	Action 1: The ESF MA and LEP to update the sub-committee with the latest ESF/BBO/SFA performance data.	ESF MA
2	Action 2: The ERDF MA to invite WSX Enterprise to provide a further update on progress at the next committee meeting.	ERDF MA
3	Action 3: The ESF MA to provide information containing the latest position of the co-financing organisations, and specifically the activities and projects being completed by the co-financing organisations within Dorset, and to confirm the outcome of the written procedure dated 19th November 2018.	ESF MA
3	Action 4: Steve Place to approach Serco and the ESF MA about the targeting of the voluntary sector before forwarding communications to the LEP to pass on to ESFA & BBO teams.	Steve Place / ESF MA
6	Action 5: The ERDF MA to write to all existing members and the LEP to ask if there are any new members interested and/or if existing members are willing to continue the representation on the committee and also the MA to review membership following implications arising from Local Government re-organisation.	ERDF MA
6	Action 6: The ERDF MA to provide an update on delivery progress by key projects in Dorset including WSX (Dorset Business Growth), SWMAS (Local Manufacturing Advisory Service) and GWE Business West (Export for Growth).	ERDF MA
7	Action 7: The ERDF MA to identify a suitable date for the next meeting.	ERDF MA

Official

Annex B Attendee List

Dorset ESI Funds Sub-committee 25 February 2019 meeting

Chair & Deputy Chair:

Name, title and organisation	Sector/Organisation Representing
Louise Reekie, Team Leader, Ministry of Housing, Communities and Local Government	Deputy Chair - ERDF MA

Sub-committee Members:

Name, title and organisation	Sector/Organisation Representing
Adrian Trevett, Board Member, Employment & Skills Board	Education, Skills & Employment
David Walsh, Member, Rural Enterprise Group of DLEP	Rural Interests
Emma Hunt, Deputy Vice-Chancellor, Arts University Bournemouth	Higher Education
Steve Place, Senior Advisor, Bournemouth Council for Voluntary Service	Voluntary and Community

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

Name, title and organisation	Sector/Organisation Representing
Claire Maguire, Operations Manager, Department for Work and Pensions	ESF MA
Alasdair Brown, Relationship Manager, Ministry of Housing, Communities and Local Government	ERDF MA
Dan Cottrell, Ministry of Housing, Communities and Local Government	ERDF MA
Helen Webb, Secretariat, Ministry of Housing, Communities and Local Government	ERDF MA

Apologies:

Name, title and organisation	Sector/Organisation Representing
Alex Crook, Department for Business, Energy and Industrial Strategy	Business, Energy and Industrial Strategy
Katherine Burt, Sustainable Places – Planning Specialist, Wessex Area Environment Agency	Environment
Lorna Carver, Director, Dorset Local Enterprise Partnership	Local Enterprise Partnership
Nathalie Sherring, Chief Officer, Dorset Race Equality Council	Equality and Diversity
Nicola Bailey, Development Manager, Hampshire, Dorset and Isle of Wight Federation of Small Businesses	Business
Mike Byatt, Weymouth and Portland Borough Council	(Chair) Local Authority
Peter Adams, Poole Borough Council	Local Authority
Peter Wharf, Purbeck District Council	Local Authority
Ruth Wyre, Area Manager, Rural Payments Agency	EAFRD Managing Authority
Sarah Harbige, Dorset LEADER Programme Manager, Dorset Local Action Groups	LEADER / Local Action Groups