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**Growth Programme for England**

**D2N2 LEP Area  
ESI Funds Sub-Committee  
Tuesday 19<sup>th</sup> November 2019  
12.30pm – 3.30pm**

**Venue: Derbyshire County Council, County Hall, Matlock, DE4 3AG**

Item	Description
1	Welcome and Apologies Minutes of last meeting (24 <sup>th</sup> September 2019)
2	Actions from last meeting Written procedures
3	Management Information Reports a) EAFRD b) ESF c) ERDF
4	ERDF Full Appraisal: Driving Research and Innovation
5	ERDF Full Appraisal: Aerospace Unlocking Potential
6	Overview of ERDF Outline Assessments
6.1	<u>ERDF PA1 Outline Assessments</u>
6.1a	Aerospace Unlocking Potential Continuation
6.1b	Driving Productivity by Design
6.1c	Immersive Technology
6.1d	Innovate 4 Rail
6.1e	INSTILS Phase 3
6.2	<u>ERDF PA2 Outline Assessments</u>
6.2a	Digital Connectivity for Nottinghamshire SMEs
6.2b	Digital Upscaler Continuation
6.3	<u>ERDF PA3 Outline Assessments</u>
6.3a	Better off in Business Phase 3
6.3b	D2N2 Growth Hub 2.0 continuation
6.3c	D2N2 SME Growth & Innovation 3
6.3d	Encsite 3 continuation
6.3e	FEAST 3
6.3f	Growing Enterprise Phase 3
6.3g	Internationalising SMEs Phase 3
6.3h	Upscaler 2
6.4	<u>ERDF PA4 Outline Assessments</u>
6.4a	N2EG continuation
7	Derby Nottingham Metro Biodiversity Improvements
8	Potential uplift to Midlands Engine Investment Fund
9	AOB



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**Item 1. Welcome and Apologies, Minutes of last meeting (24<sup>th</sup> September 2019)**

**1.1 Welcome and Apologies**

The following apologies were noted:

<b>Name</b>	<b>Organisation</b>	<b>Deputised by</b>
Tim George	ESF Managing Authority	
Chris Franklin	Rural Payments Agency, EAFRD Managing Authority	
Viv Russell	Longcliffe Group	
Cllr Reg Adair	Nottinghamshire County Council	Sonja Smith
Nicola McCoy-Brown	Nottinghamshire County Council	
Jayne Mayled	True Story UK	

**1.2 Minutes of last meeting (24<sup>th</sup> September 2019)**

The Chair (EF) asked for confirmation that the minutes of the last meeting were accurate. The minutes were agreed to be accurate and were therefore approved as an accurate record of the meeting.

**Item 2. Actions from last meeting**

**2.1 Actions from the meeting 24<sup>th</sup> September 2019**

Progress of actions:

<b>Agenda Item from 24<sup>th</sup> September 2019 meeting</b>	<b>Action identified from 24<sup>th</sup> September 2019 meeting</b>	<b>Action update at 24<sup>th</sup> September 2019 meeting</b>
2.2	ERDF and ESF MAs to meet D2N2 LEP Chair and Board members	ERDF MA met D2N2 LEP's Business Growth Advisory Board Task and Finish Group on Productivity.  ESF MA meeting with D2N2 LEP Chair and Board members to be confirmed.
5	ESF MA to assess the track record (financial and output performance) of Futures Advice, Skills and Employment Limited. Any concerns	This action has been completed. It was reported that the applicant has a good track record.

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	would need to be referred back to the sub-committee to provide strategic advice on the application.	
8	ERDF MA to provide details of the durability for Derby-Nottingham Metro Area Biodiversity Action: Phase 2.	Further discussion would take place at Item 7. Anna Vinsen (AV) reported that it was a requirement of ERDF funding that the biodiversity improvements would be maintained for 5 years from the date of final payment to the project.

**2.2 Written Procedures update**

Anna Vinsen (AV) reported that there was one ESF written procedure since the last meeting which provided further detail on the two projects which had been received under the call for projects to support unemployed and inactive people into work in the D2N2 area. The MA provided more information for non-conflicted members on the quality of jobs to be created through the two applications. It was reported that there was one abstention and one comment received and the ESF MA were concluding the appraisals.

**2.3 Declarations of Interest**

Declarations of interest were taken at each item as it was discussed on the agenda and collated in the table below. Under Item 6, members who had declared an interest on one of the projects did not participate in the discussions on how to prioritise the bids against the remaining funding.

<b>Agenda Item No.</b>	<b>Agenda Item</b>	<b>Members Declaring Interest</b>
2	Actions from last meeting Written procedures	N/A
3	Management Information Reports a) EAFRD b) ESF c) ERDF	N/A
4	ERDF Full Appraisal: Driving Research and Innovation	None



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5	ERDF Full Appraisal: Aerospace Unlocking Potential	None
6	Overview of ERDF Outline Assessments	N/A
6.1a	Aerospace Unlocking Potential Continuation	None
6.1b	Driving Productivity by Design	None
6.1c	Immersive Technology	Cllr Leslie Ayoola – Nottingham City Council Nicki Jenkins – Nottingham City Council
6.1d	Innovate 4 Rail	Prof Warren Manning - University of Derby
6.1e	INSTILS Phase 3	None
6.2a	Digital Connectivity for Nottinghamshire SMEs	Sonja Smith – Nottinghamshire County Council
6.2b	Digital Upscaler Continuation	Diane Beresford – East Midlands Chamber Richard Kirkland – D2N2 LEP Sajeeda Rose – D2N2 LEP
6.3a	Better off in Business Phase 3	None
6.3b	D2N2 Growth Hub 2.0 continuation	Nicki Jenkins – Nottingham City Council Cllr Leslie Ayoola – Nottingham City Council Richard Kirkland – D2N2 LEP Sajeeda Rose – D2N2 LEP  Diane Beresford – East Midlands Chamber of Commerce Elisa Zamora – Derby City Council Gary Hickton – Derbyshire County Council
6.3c	D2N2 SME Growth & Innovation 3	Elisa Zamora – Derby City Council Prof Warren Manning – University of Derby
6.3d	Enscite 3 continuation	Prof Warren Manning – University of Derby
6.3e	FEAST 3	None
6.3f	Growing Enterprise Phase 3	None

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6.3g	Internationalising SMEs Phase 3	None
6.3h	Upscaler 2	Diane Beresford – East Midlands Chamber of Commerce Richard Kirkland – D2N2 LEP Sajeeda Rose – D2N2 LEP
6.4a	N2EG Continuation	Nicki Jenkins - Nottingham City Council Cllr Leslie Ayoola – Nottingham City Council
7	Derby Nottingham Metro Biodiversity Improvements	Nicki Jenkins – Nottingham City Council Cllr Leslie Ayoola – Nottingham City Council Elisa Zamora – Derby City Council James Whybrow - Nottingham College
8	Potential uplift to Midlands Engine Investment Fund	None
9	AOB	N/A

**Item 3. Management Information Reports****3a) EAFRD – Anna Vinsen (AV) on behalf of Chris Franklin, Rural Payments Agency**

AV presented an update on EAFRD as follows:

In the D2N2 LEP area 13 projects have been approved and contracted to date, with a total grant value of £1.52m offered. There are currently 4 applications in appraisal with a total grant request of £0.78m. There are no full applications outstanding.

The remaining balance in LEP allocations has now been gathered together to form the EAFRD Growth Programme National Reserve Fund (NRF). There will be three themes: Business Development; Tourism Infrastructure; and Food Processing. The maximum grant under the Business Development and Tourism themes will be limited to 200,000 euros, whilst the maximum grant under the Food Processing theme will be limited to £750,000. The minimum grant has been reduced from £35,000 to £20,000 to allow more micro and small businesses to apply for this support. The calls were launched on 4<sup>th</sup> November 2019 and will close 16<sup>th</sup> February 2020. It was reported there is a minimum of £35m available, with £500 made available to each LEP area to hold workshops to promote the calls to rural businesses and support their applications. Expressions of interest are assessed as soon as they are submitted and the RPA are aiming to progress an expression of interest from receipt to decision in 30 working days. The RPA are seeking to reconvene the D2N2 Rural Reference Group to offer advice to the RPA on local strategic fit of eligible projects with endorsement of the advice from the Chair on behalf of the sub-committee.



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Richard Kirkland (RK) added that the LEP plan to do a series of workshops for rural businesses. It is intended that The Rural Reference Group be more streamlined and have more overt links to the ESIF sub-committee.

Members agreed that the Rural Reference Group should be reconvened to review the applications on behalf of the sub-committee. It was also agreed that the membership would be refreshed to ensure the group was streamlined and fit for purpose.

Members discussed if the workshops would be actively marketed. D2N2 LEP colleagues confirmed it is being actively marketed, particularly to county councils in the area in order to reach businesses and maximise business opportunities. It was noted that there are already three prospective applicants, and there was further interest within farming networks following circulation. Members agreed that it would be beneficial to reach smaller tourism and food businesses that aren't as well connected. There was agreement that businesses should be given support to put applications together such as reviewing and providing advice on draft applications. It was recognised that some businesses haven't got capacity to put good bids together.

### **3b) ESF – AV on behalf of Tim George, ESF Managing Authority**

AV presented an update on ESF on behalf of the ESF MA; she noted that the paper provided an update on the number of applications received against each of the calls which have closed. There are seven calls currently open and in January 2020 the ESF Reserve Fund will be launched using unallocated funding from LEP allocations and CFOs. The ESF MA has recruited additional appraisal staff to help facilitate throughout.

Sub-committee members queried why the appraisal process has taken so long. AV responded that the ESF MA has moved to a single stage full application which takes longer to assess than an outline application. It was noted that there have been some constraints regarding appraisal staff, and it was positive that more were being recruited. It was also noted that the appraisals under one call went back to non-conflicted ESIF Sub-committee members for strategic advice a number of times. It was agreed that feeding back any lessons learnt would be helpful. It was suggested that this could be added to the agenda when the ESF MA meets the LEP.

RK reported that the call schedule for the ESF Reserve Fund would be discussed with Tim George to find out the processes behind this. The call schedule would be open until December 2020. The Chair asked that a skeleton framework for the D2N2 calls through the Reserve Fund is sent out so everyone could understand what the engagement plan would be.



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**3c) ERDF – Anna Vinsen, ERDF Managing Authority**

AV reported that the ERDF N+3 target has been met. It was noted that D2N2 was delivering strongly. Most performance framework targets have been met for the D2N2 allocation however there haven't and wouldn't be enough PA4 outputs achieved to meet the target.

**Item 4. ERDF Full Appraisal: Driving Research and Innovation**

AV presented the project appraisal paper seeking sub-committee advice for Driving Research and Innovation. Sub-committee advice details can be found in Annex 01.

**Item 5. ERDF Full Appraisal: Aerospace Unlocking Potential**

AV presented the project appraisal paper seeking sub-committee advice for Aerospace Unlocking Potential. Sub-committee advice details can be found in Annex 01.

**Item 6. Overview of ERDF Outline Assessments**

AV reported that the last LEP level calls launched at the end of June and closed at the end of September 2019, with £7.1m available for D2N2. In total 16 outline applications requesting £12.9m were submitted. It was noted that the Calls for Priority Axis 1, 2 and 3 were oversubscribed and members' strategic advice would help prioritise bids. The ERDF MA would not be allowed to over-programme or create reserve lists, and there would be no flexibility to transfer funds between priority axes.

It was noted that outline assessments were circulated early to ESIF sub-committee members, and all passed gateway as they were of good quality with no high risks to project deliverability. 10 applications were extensions to existing projects, two were seeking additional funding for projects recently approved and four were new proposals under PA1.

AV explained the rag rating system for extensions of live projects: green rated projects have less than 15% slippage; amber had outputs or spend outside of these thresholds; and red rated projects have both outputs and spend outside thresholds and projects have been issued with underperformance letters.

Members were updated on the change in processes for ERDF applications: the Growth Programme Board agreed that the ERDF MA no longer need to take projects back to ESIF sub-committee at full appraisal stage to speed up the process. It was reported that in the event of significant changes between outline and full, the MA would seek the sub-committee's advice and would add conditions if required. Members were receptive to this change. They agreed that they do not wish to see projects again at the full stage unless:

- The performance of a project seeking an extension deteriorates significantly before the full stage decision



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- There is a significant change to match funding
- Delivery partners are added to the project or removed be

In these cases, the sub-committee would want to receive a short paper summarising the changes and how the project continues to meet the local strategic priorities.

The Chair asked members to be mindful of red rated projects and their current performance rating and challenged why applicants should be asking for more money when they aren't delivering.

**Item 6.1 ERDF PA1 Outline Assessments**

For PA1, AV reported that D2N2 received 5 applications, one of which is an extension to an existing project with the rest being new projects. She reported that the applications are requesting £6.5m but we only have £3.302 million to allocate.

**Item 6.1a Aerospace Unlocking Potential Continuation**

AV presented the outline assessment paper seeking sub-committee advice for Aerospace Unlocking Potential Continuation. Sub-committee advice details can be found in Annex 02.

**Item 6.1b Driving Productivity by Design**

Eimear Scullin (ES) presented the outline assessment paper seeking sub-committee advice for Driving Productivity by Design. Sub-committee advice details can be found in Annex 02.

**Item 6.1c Immersive Technology Innovation Accelerator**

AV presented the outline assessment paper seeking sub-committee advice for Immersive Technology Innovation Accelerator. Sub-committee advice details can be found in Annex 02.

**Item 6.1d Innovate 4 Rail**

ES presented the outline assessment paper seeking sub-committee advice for Innovate 4 Rail – Accelerating SME Innovation in D2N2 for Rail Sector. Sub-committee advice details can be found in Annex 02.

**Item 6.1e INSTILS Phase 3**

AV presented the outline assessment paper seeking sub-committee advice for INSTILS





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Phase 3. Sub-committee advice details can be found in Annex 02.

After considering each individual project, the non-conflicted members of the ESIF sub-committee agreed that the following offered the highest strategic fit and value for money: Instils Phase 3, Aerospace Unlocking Potential, and Innovate 4 Rail. AV confirmed that the combined bids were requesting £3,202,487 and so would be affordable within the funding envelope available. It was agreed that the other projects would not be supported.

### **Item 6.2 ERDF PA2 Outline Assessments**

AV reported that there were two applications received under Priority Axis 2, and there would be a choice between recommendation of an infrastructure project to progress or a digital technology project.

#### **6.2a Digital Connectivity for Nottinghamshire SMEs**

AV presented the outline assessment paper seeking sub-committee advice for Digital Connectivity for Nottinghamshire SMEs. Sub-committee advice details can be found in Annex 02.

#### **6.2b Digital Upscaler Continuation**

AV presented the outline assessment paper seeking sub-committee advice for Digital Upscaler Continuation. Sub-committee advice details can be found in Annex 02.

After considering each individual project, the non-conflicted members of the ESIF sub-committee agreed that the Digital Connectivity for Nottinghamshire SMEs was the project which offered the best strategic fit.

### **Item 6.3 ERDF PA3 Outline Assessments**

AV reported that the Priority Axis 3 value has increased by £188k since the paper was produced which was being decommitted from the D2N2 Growth Hub 2.0 project. This meant that there was now £2,203,723 available to allocate under the call.

Whilst members understood that some projects may be red-rated due to extenuating circumstances, sub-committee members agreed that red-rated projects should not be given more funding. Each project was presented.



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**6.3a Better Off in Business Phase 3**

AV presented the outline assessment paper seeking sub-committee advice for Better Off in Business Phase 3. Sub-committee advice details can be found in Annex 02.

**6.3b D2N2 Growth Hub 2.0 Continuation**

AV presented the outline assessment paper seeking sub-committee advice for D2N2 Growth Hub 2.0 Continuation. Sub-committee advice details can be found in Annex 02.

**6.3c D2N2 SME Growth & Innovation 3**

Oliver Alderton (OA) presented the outline assessment paper seeking sub-committee advice for D2N2 SME Growth & Innovation 3. Sub-committee advice details can be found in Annex 02.

**6.3d Enscite 3 continuation**

AV presented the outline assessment paper seeking sub-committee advice for Enscite 3. Sub-committee advice details can be found in Annex 02.

**6.3e FEAST 3**

OA presented the outline assessment paper seeking sub-committee advice for FEAST 3. Sub-committee advice details can be found in Annex 02.

**6.3f Growing Enterprise Phase 3**

AV presented the outline assessment paper seeking sub-committee advice for Growing Enterprise Phase 3. Sub-committee advice details can be found in Annex 02.

**6.3g Internationalising SMEs Phase 3**

AV presented the outline assessment paper seeking sub-committee advice for Internationalising SMEs Phase 3. Sub-committee advice details can be found in Annex 02.

**6.3h Upscaler 2**

AV presented the outline assessment paper seeking sub-committee advice for Upscaler 2. Sub-committee advice details can be found in Annex 02.

After all projects had been presented, the non-conflicted members of the sub-committee agreed that the funding should be prioritised based on the performance of the current projects. AV confirmed that the four green rated projects would take up £1,990,112 ERDF which would leave £213.6k which could be offered to the best performing amber rated project which was Princes Trust. As a multi LEP project it would be scalable. The sub-committee agreed this approach.

**Item 6.4 ERDF PA4 Outline Assessments**

AV confirmed that there was £1,432,045 available and that D2N2 had only received only one application seeking £900k



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**6.4 N2EG continuation**

AV presented the outline assessment paper seeking sub-committee advice for N2EG Continuation. Sub-committee advice details can be found in Annex 02.

The non-conflicted members of the sub-committee agreed that the project would not be recommended for support given its current underperformance which had led to a red rating.

**Item 7. Derby Nottingham Metro Biodiversity Improvements**

AV noted that the full appraisal of Derby Nottingham Metro Biodiversity Improvements Phase 2 project was presented at the last sub-committee meeting. The sub-committee was broadly supportive of the application although members did query the added value of the proposed Broadmarsh scheme. This was one element of the proposed programme of biodiversity improvements. It was agreed that the MA would get further information about the scheme and return for further advice from the sub-committee to inform the MA's decision as to whether this element of the project should be retained or removed from the proposed project.

Nottingham City Council responded to the MA that the proposed work was the development of a community space at the North Eastern end of the public realm which would be led by the Cliff Road community, however due to uncertainty of the timeframe for this scheme, NCC have decided to remove the Broadmarsh scheme and replace it with two smaller discrete schemes:

- A living green wall in the Lace Market car park
- Biodiversity improvements in Derby around Sinfin Municipal Golf course

AV reported that the schemes had been reviewed and it was determined that they are eligible for support; they offer better for value for money as the area of land improved is larger than the proposed Broadmarsh scheme.

Members queried how the biodiversity impacts would be evidenced. AV confirmed that the project would have to provide an area plan which meets the criteria for biodiversity improvements.

Members were reminded that the biodiversity area would have to be maintained for five years after the final claim payment and it was confirmed that funds could be clawed back if contractual obligations are not achieved.

It was suggested that the applicant could present at a future ESIF sub-committee meeting and members were in favour of that.

**Item 8. Potential Uplift to Midlands Engine Investment Fund**

AV reported that the outlines discussed earlier in the meeting came in under the last LEP level ERDF calls. Prior to the launch of the national reserve fund in 2020 there is the potential opportunity to use unallocated funding in the Midlands LEP allocations under PA1,



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3 and 4 to increase equity provision in the region through the Midlands Engine Investment Fund. All ESIF sub-committees with remaining budget are being consulted on this option.

The current D2N2 allocation in MEIF is £11.75m and so far, the fund has invested £7.31m into 25 businesses in the D2N2 area with a further £6.08m of private sector leverage co-invested alongside. £5.66m of MEIF funds invested in D2N2 area was for equity investment.

There was an opportunity to use the unallocated funding in D2N2's PA4 allocation to increase the investment in MEIF. It would be used for equity funding in East Midlands SMEs in the more developed region. AV confirmed that as the money was from PA4 it could only be used in the Fund to support investments in low carbon improvements or low carbon technologies, this may limit whether the full £1.4m now available could be taken up, although BBB who operate the fund, had previously advised that they could take up the £532k which would have remained if the N2EG project had been supported.

AV confirmed that the ex ante evaluation of MEIF suggested that the market gap is bigger than the size of the fund. AV welcomed members' advice on whether the PA4 funds which were remaining should be offered to MEIF or be transferred to the Reserve Fund.

Members agreed that the funding should go to the Midlands Engine Investment Fund as this was the best way of assisting local firms to grow.

Members encouraged proactive engagement with the Growth Hub and advisors to inform businesses that the fund is available; a joint event with the British Business Bank would be a good way to proactively take the fund to market.

AV confirmed that the Reserve Fund will be launched in early 2020.

#### **Item 9. AOB**

None.

#### **Appendix A - Actions of the Meeting**

Agenda Item	Action	Action assigned to
2.1	ESF MAs to meet D2N2 LEP Chair and Board members	Tim George
7	Derby Nottingham Metro Biodiversity project invited to present at a future sub-committee meeting.	Anna Vinsen



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**Appendix B Attendee List**

**Chair and Deputy Chair attending:**

<b>Name, title and organisation</b>	<b>Sector/Organisation Representing</b>
Elizabeth Fagan (EF)	D2N2 LEP
Anna Vinsen (AV)	Managing Authority ERDF (MHCLG)

**Sub-Committee Members attending:**

<b>Name, title and organisation</b>	<b>Sector/Organisation Representing</b>
Professor Warren Manning (PWM)	HE Representative (University of Derby)
Matthew Easter (ME)	Sustrans
Jane Howson (JH)	VCSE Representative (Autism East Midlands)
Diane Beresford	East Midlands Chamber
James Whybrow (JWh)	FE Representative (Nottingham College)
Bev Parker (BP)	Rural Reference Group

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

<b>Name, title and organisation</b>	<b>Sector/Organisation Representing</b>
Eimear Scullin (ES)	MHCLG
Oliver Alderton (OA)	MHCLG
Carly Gayton-Kay (CGK)	MHCLG
Jem Woolley (JW)	Greater Nottingham SUD
Sajeeda Rose (SR)	D2N2 LEP
Sonja Smith (SS)	Nottinghamshire County Council
Elisa Zamora (EZ)	Derby City Council
Cllr Leslie Ayoola (LA)	Nottingham City Council
Nicki Jenkins	Nottingham City Council

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Cllr Garry Hickton	Derbyshire County Council
Richard Kirkland (RK)	D2N2 LEP

**Apologies:**

<b>Name, title and organisation</b>	<b>Sector/Organisation Representing</b>
Cllr Reg Adair (RA)	Nottinghamshire County Council
Tim George (TGeo)	ESF Managing Authority (DWP)
Jayne Mayled (JM)	Private Sector (True Story UK)
Chris Franklin (CF)	EAFRD Managing Authority (Rural Payments Agency)
Viv Russell (VR)	Longcliffe Group
Nicola McCoy-Brown (NMB)	Nottinghamshire County Council

**Next Meeting**

The next meeting is scheduled on 31<sup>st</sup> January 2020. Location and times to be confirmed.

**Growth Programme for England****Annex 01: Appraisals**

<b>Project Name: Driving Research and Innovation</b>	<b>Applicant: University of Nottingham</b>
<b>Programme Priority Axis: PA1</b>	<b>Investment Priority: 1b</b>
<b>Project Value: £4,666,920</b>	<b>ERDF Value: £2,333,460</b>
<b>Summary of Discussion</b> Sub-committee members confirmed that its predecessor Enabling Innovation was a popular project for referrals through the Growth Hub. It was recognised that the model for C1 and C4 outputs would lead to C26 achievements and would lead to an overall increase in productivity and job creation.	
<b>Advice of the sub-committee</b> Sub-committee members supported the project.	
<b>Additional conditions suggested</b> N/A	

<b>Project Name: Aerospace Unlocking Potential</b>	<b>Applicant: University of Nottingham</b>
<b>Programme Priority Axis: PA1</b>	<b>Investment Priority: 1b</b>
<b>Project Value: £16,442,453</b>	<b>ERDF Value: £8,543,959</b>
<b>Summary of Discussion</b> Members recognised that there was a strong evidence base and an independent evaluation was provided of a previous project for the full application which showed a good return on investment. It was noted that the allocation was capped at £442,000 for D2N2 for this multi-LEP project due to previous constraints on affordability.	
<b>Advice of the sub-committee</b> Sub-committee members supported the project.	
<b>Additional conditions suggested</b> 1. Grant Recipient to liaise with other university-led projects including Enscite and Innovate 4 Rail to avoid duplication of project activities and ensure that businesses are directed to the most appropriate project	

**Annex 2: Outline Assessments**

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<b>Project Name: Aerospace Unlocking Potential Continuation</b>	<b>Applicant: University of Nottingham</b>
<b>Programme Priority Axis: PA1</b>	<b>Investment Priority: 1b</b>
<b>Existing Project Value (D2N2): £16,442,453</b>	<b>Existing ERDF Value (D2N2): £8,543,959</b>
<b>Proposed Project Value (D2N2): £19,074,963</b>	<b>Proposed ERDF Value (D2N2): £9,860,214</b>
<b>Summary of Discussion</b> <p>Sub-committee members queried if there would be sufficient demand in the locality to meet the project requirements and a condition was suggested. There was discussion regarding the potential output achievement across a pan-LEP project. AV explained that it was always a risk with cross-LEP projects as the ERDF MA only audit against outputs within the Category of Region, albeit the applicant would be required to report the postcodes of all SMEs supported. It was agreed that for this reason it would be important for the applicant to demonstrate that there was sufficient demand from SMEs in the D2N2 area to take up the funding requested.</p>	
<b>Advice of the sub-committee</b> <p>The sub-committee advised the Managing Authority that the application has STRONG strategic fit and recommend it be invited forward to full application with the suggested conditions below.</p>	
<b>Additional conditions suggested</b> <p>1. Applicant to provide evidence that there is sufficient demand for the number of D2N2 aerospace businesses forecast to be achieved.</p> <p>2. Applicant to liaise with other projects including Ensceite and Innovate 4 Rail to avoid duplication of project activities and ensure that businesses are directed to the most appropriate project for support.</p>	

<b>Project Name: Driving Productivity by Design</b>	<b>Applicant: Nottingham Trent University</b>
<b>Programme Priority Axis: 1</b>	<b>Investment Priority: 1b</b>
<b>Project Value (D2N2): £4,302,500</b>	<b>ERDF Value (D2N2): £2,151,250</b>
<b>Summary of Discussion</b> <p>Sub-committee members discussed concerns regarding the high cost of the project viewing it as having limited guarantee of success. Members queried if there would be</p>	





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sufficient demand for the project, and if SMEs would be willing to put forward match funding in the current climate. It was recognised that the project would be starting late in 2021.

**Advice of the sub-committee**

The sub-committee advised the Managing Authority that the application has WEAK strategic fit due to the high level of risk around SME match requirement and recommended that it does not progress further.

**Additional conditions suggested**

N/A

<b>Project Name: Immersive Technology Innovation Accelerator</b>	<b>Applicant: University of Nottingham</b>
<b>Programme Priority Axis: 1</b>	<b>Investment Priority: 1a</b>
<b>Project Value (D2N2): £2,324,026</b>	<b>ERDF Value (D2N2): £1,162,013</b>
<p><b>Summary of Discussion</b></p> <p>Sub-committee members were concerned about how the research and development activities undertaken through the project would translate into business benefit and recognised the difficulty there would be to prove economic benefit of this type of project.</p> <p>Members recognised that should business interventions fail to realise outputs, the work undertaken and knowledge gained had inherent value for future project endeavours.</p> <p>Members were aware of other existing productivity innovation projects and opportunities for businesses to access.</p> <p>A typing error on page 16, section 5.2 of the outline assessment paper was identified.</p> <p>There was disappointment of the lack of understanding for how immersive technologies could support disabilities within the cross-cutting themes section of the paper.</p>	
<p><b>Advice of the sub-committee</b></p> <p>The sub-committee advised the Managing Authority that the application has WEAK strategic fit and recommended that it does not progress further.</p>	
<p><b>Additional conditions suggested</b></p> <p>N/A</p>	

**Project Name: Innovate 4 Rail**

**Applicant: University of Derby**

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<b>Programme Priority Axis: 1</b>	<b>Investment Priority: 1b</b>
<b>Project Value (D2N2): £1,411,829</b>	<b>ERDF Value (D2N2): £705,914</b>
<b>Summary of Discussion</b> Sub-committee members agreed that the proposal was excellent and well thought out and aligned to other investment in rail by the LEP. Members appreciated that the applicant wasn't asking for a large amount of funds and also that they were providing match funding, with no SME contributions requested. The large contribution that the Rail Sector offers to the D2N2 economy was also recognised by the sub-committee. It was agreed that there was good demand in the region for this project. The Chair was keen to see more development and innovation in the supply chain.	
<b>Advice of the sub-committee</b> The sub-committee advised the Managing Authority that the application has STRONG strategic fit and recommend it be invited forward to full application with the below condition.	
<b>Additional conditions suggested</b> 1. Applicant to liaise with other projects including Aerospace Unlocking Potential and Ensce 3 to avoid duplication of project activities and ensure that businesses are directed to the most appropriate project.	

<b>Project Name: INSTILS Phase 3</b>	<b>Applicant: Medilink East Midlands</b>
<b>Programme Priority Axis: 1</b>	<b>Investment Priority: 1b</b>
<b>Existing Project Value (D2N2): £7,393,742</b>	<b>Existing ERDF Value (D2N2): £3,696,871</b>
<b>Proposed Project Value (D2N2): £9,754,378</b>	<b>Proposed ERDF Value (D2N2): £4,877,189</b>
<b>Summary of Discussion</b> Sub-committee members were informed that the outline assessment was for an extension of the existing project which was performing well. There was agreement that the project was strong, with good links to the Growth Hub and overall an established project in the area. Some members expected the proposed outputs to be higher. AV noted that extended projects would need to find new businesses to support and so may need to work harder to identify businesses they haven't interacted with before. The Chair proposed that measurements of the GVA would need to be put in place for supported businesses. GVA will be measured through the summative assessment.	



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**Advice of the sub-committee**

The sub-committee advised the Managing Authority that the application has STRONG strategic fit and recommend it be invited forward to full application.

**Additional conditions suggested**

N/A

#### PA2

<b>Project Name: Digital Connectivity for Nottinghamshire SMEs</b>	<b>Applicant: Nottinghamshire County Council</b>
<b>Programme Priority Axis: 2</b>	<b>Investment Priority: 2a</b>
<b>Existing Project Value (D2N2): £590,000</b>	<b>Existing ERDF Value (D2N2): £236,732</b>
<b>Summary of Discussion</b> <p>Sub-committee members were informed that the project would cover a range of postcodes in the Nottinghamshire area. It was reported that wider impacts are harder to measure for PA2 projects and the ERDF MA's experience of broadband projects is that they are often subject to delays due to slippage in the infrastructure timetable, and the time required for the grant recipient to complete the necessary verification checks on delivery. The proposed timetable in the application was therefore considered by the MA to be ambitious, however, it was expected that the project would have sufficient time to deliver by June 2023 and as a condition they would be asked to review their timetable for delivery.</p> <p>Members queried if there was any level of risk with achieving C1 outputs given the project did not provide any. AV provided information on Performance Framework targets for 2018 and confirmed the LEP could afford to spend more money on infrastructure projects without jeopardising their achievement of their PA2 C1 target. She confirmed that the project would provide connectivity but not support to businesses.</p> <p>Members were supportive of the project and were keen for broadband to be improved in rural areas as it would benefit people who work from home which would reduce mileage and generally a good broadband connection would break barriers to growth for rural businesses.</p>	
<b>Advice of the sub-committee</b> <p>The sub-committee advised the Managing Authority that the application has STRONG strategic fit and recommend it be invited forward to full application.</p>	

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N/A

<b>Project Name: Digital Upscaler Continuation</b>	<b>Applicant: East Midlands Chamber</b>
<b>Programme Priority Axis: 2</b>	<b>Investment Priority: 2b</b>
<b>Existing Project Value (D2N2): £1,891,471</b>	<b>Existing ERDF Value (D2N2): £945,736</b>
<b>Proposed Project Value (D2N2): £2,364,935</b>	<b>Proposed ERDF Value (D2N2): £1,182,468</b>
<b>Summary of Discussion</b> Sub-committee members agreed that the area needs connectivity before business support. Members discussed that there were existing scale up programmes.	
<b>Advice of the sub-committee</b> The sub-committee advised the Managing Authority that the application has MEDIUM strategic fit and that the other project considered under this priority axis represented a higher strategic fit. Given only one proposal can be afforded within the allocation, it was therefore agreed that this proposal should not be progressed.	
<b>Additional conditions suggested</b> N/A	

**PA3**

<b>Project Name: Better Off in Business Phase 3</b>	<b>Applicant: The Princes Trust</b>
<b>Programme Priority Axis: 3</b>	<b>Investment Priority: 3a</b>
<b>Existing Project Value (D2N2): £8,759,198</b>	<b>Existing ERDF Value (D2N2): £4,583,979</b>
<b>Proposed Project Value (D2N2): £10,962,718</b>	<b>Proposed ERDF Value (D2N2): £5,729,285</b>
<b>Summary of Discussion</b> AV reported that the latest claim had not been received for this project, so the latest output achievement was unknown. Members questioned the reasons for the underspend and AV said that this had been due in part to restructuring at the applicant's organisation which	

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has impacted expenditure. She also noted that the project had been operating at risk without contract for some time, and that when projects spend at risk they spend more cautiously, so currently there is underspend against the contract for the existing project. Members expressed disappointment at the underspend. However, they recognised the contribution that the project was making to the business support landscape given its particular focus on individuals under 30 from disadvantaged backgrounds.

**Advice of the sub-committee**

The sub-committee advised the Managing Authority that performance should be taken into account when prioritising the extension requests that have been submitted under Priority Axis 3. This project was the best performing amber rated project and therefore it was supported to go forward. However, funding would be capped at £213,611 which was the balance remaining after the green rated projects have been selected.

**Additional conditions suggested**

Funding in the D2N2 area is capped at £213,611.

<b>Project Name: D2N2 Growth Hub 2.0 Continuation</b>	<b>Applicant: Nottingham City Council</b>
<b>Programme Priority Axis: 3</b>	<b>Investment Priority: 3c and 3d</b>
<b>Existing Project Value (D2N2): £14,694,139</b>	<b>Existing ERDF Value (D2N2): £7,347,070</b>
<b>Proposed Project Value (D2N2): £17,557,905</b>	<b>Proposed ERDF Value (D2N2): £8,778,953</b>
<b>Summary of Discussion</b> <p>Sub-committee members were informed that the existing project is significantly underperforming against spend and outputs and an underperformance meeting had taken place. It was reported that there were plans for the project to decommit £188,000 after two quarters. When questioned, AV reported that the main reason for the underspend was unrealistic profiling of the grant scheme. She reported that the applicant had provided evidence that a pipeline of grants is now in place.</p> <p>Members were disappointed that the project was so behind and agreed that it was hard to support a red-rated project that is underperforming.</p>	
<b>Advice of the sub-committee</b> <p>The sub-committee advised the Managing Authority that on the basis of current performance, the request to extend was weak and should not be supported.</p>	
<b>Additional conditions suggested</b> <p>N/A</p>	



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<b>Project Name: D2N2 SME Growth &amp; Innovation 3</b>	<b>Applicant: East Midlands Business Limited</b>
<b>Programme Priority Axis: 3</b>	<b>Investment Priority: 3c</b>
<b>Existing Project Value (D2N2): £15,318,170</b>	<b>Existing ERDF Value (D2N2): £7,548,837</b>
<b>Proposed Project Value (D2N2): £17,754,628</b>	<b>Proposed ERDF Value (D2N2): £8,663,226</b>
<b>Summary of Discussion</b> Sub-committee members recognised that the project start date was well in advance. The Chair was keen to see the GVA outputs and lessons learned.  There were concerns that the existing project performance could slip between now and when the extension is due; AV confirmed that the ERDF MA aim to contract new projects and extensions quickly, but any risk of slippage would be managed under the underperformance policy.	
<b>Advice of the sub-committee</b> The sub-committee advised the Managing Authority that based on the strong performance of the current project, the case to support was strong, and an extension should be supported.	
<b>Additional conditions suggested</b> N/A	

<b>Project Name: Enscite 3 continuation</b>	<b>Applicant: University of Derby</b>
<b>Programme Priority Axis: 3</b>	<b>Investment Priority: 3c</b>
<b>Existing Project Value (D2N2): £2,508,470</b>	<b>Existing ERDF Value (D2N2): £1,254,236</b>
<b>Proposed Project Value (D2N2): £2,858,606</b>	<b>Proposed ERDF Value (D2N2): £1,429,304</b>
<b>Summary of Discussion</b> It was recognised that the existing Enscite project hadn't been delivering long, it was listed in the paper as an amber rating, but AV provided more up to date MI information which confirmed that it was now green rated. Members agreed that track record suggested the extension would be achievable.	

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There was appreciation that the proposed project would target low-social mobility areas.

Members queried if there would be a cross-over of bids i.e. Innovate 4 Rail and Enscite.

A condition was recommended that the applicant liaises with 'Aerospace Unlocking Potential' and 'Innovate 4 Rail' projects to avoid duplication and ensure that businesses are interacting with the most appropriate project.

**Advice of the sub-committee**

The sub-committee advised the Managing Authority that on the basis of the performance of the current project the case for extension was strong and should be supported.

**Additional conditions suggested**

1. Applicant to liaise with other projects including Aerospace Unlocking Potential and Innovate 4 Rail to avoid duplication of project activities and ensure that businesses interact with the most appropriate project.

<b>Project Name: FEAST 3</b>	<b>Applicant: The Food and Drink Forum</b>
<b>Programme Priority Axis: 3</b>	<b>Investment Priority: 3d</b>
<b>Existing Project Value (Total): £8,514,110</b>	<b>Existing ERDF Value (D2N2): £2,128,533</b>
<b>Proposed Project Value (Total): £10,632,455</b>	<b>Proposed ERDF Value (D2N2): £2,658,120</b>
<b>Summary of Discussion</b> AV noted that the performance of the current project is strong. Sub-committee members were in agreement that the project proposal was good.	
<b>Advice of the sub-committee</b> The sub-committee advised the Managing Authority that on the basis of the performance of the current project the case for extension was strong and should be supported.	
<b>Additional conditions suggested</b> N/A	

<b>Project Name: Growing Enterprise Phase 3</b>	<b>Applicant: NBV Enterprise Solutions</b>
<b>Programme Priority Axis: 3</b>	<b>Investment Priority: 3a</b>

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<b>Existing Project Value (Total): £11,486,894</b>	<b>Existing ERDF Value (D2N2): £5,929,439</b>
<b>Proposed Project Value (Total): £12,815,894</b>	<b>Proposed ERDF Value (D2N2): £6,593,939</b>
<b>Summary of Discussion</b> <p>When queried, AV provided an explanation regarding due diligence for private sector applicants. The project had been rated as amber given it is behind profile by 73% against its recent extension. It was reported that this was due to staff vacancies in LLEP and GLEP which the project also covers.</p> <p>Sub-committee members discussed the quality of the application which they thought was weak; there were some concerns regarding deliverability and the level of risk the project presents.</p>	
<b>Advice of the sub-committee</b> <p>The sub-committee advised the Managing Authority that on the basis of current performance, and the application submitted, the request to extend was weak and should not be supported.</p>	
<b>Additional conditions suggested</b> <p>N/A</p>	

<b>Project Name: Internationalising SMEs Phase 3</b>	<b>Applicant: East Midlands Business Ltd</b>
<b>Programme Priority Axis: 3</b>	<b>Investment Priority: 3d</b>
<b>Existing Project Value (Total): £5,437,834</b>	<b>Existing ERDF Value (D2N2):£2,559,867</b>
<b>Proposed Project Value (Total): £6,694,405</b>	<b>Proposed ERDF Value (D2N2): £2,730,936</b>
<b>Summary of Discussion</b> <p>Sub-committee members were concerned that Department of International Trade already deliver similar activities and wanted assurance regarding how potential duplication would be managed. AV noted that the conditions that had been set required the applicant to clearly set out how the extension added value to Department of International Trade provision. She reported that information provided by Department of International Trade separately suggested that the funding was required to retain a number of additional international trade advisors which would not otherwise be in place.</p> <p>There were discussions that if D2N2 LEP did not fund the project, other LEPs would, and</p>	





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the area would want to be in a good position to deal with trade beyond Brexit. Members agreed that they would need to judge the application with pragmatism but overall were supportive given the green-rated performance of the existing project.

**Advice of the sub-committee**

The sub-committee advised the Managing Authority that on the basis of the good performance of the current project and the needs of business to adapt to a new relationship with the European Union, the case for extension was strong and should be supported.

**Additional conditions suggested**

N/A

<b>Project Name: Upscaler 2</b>	<b>Applicant: Nottingham Trent University</b>
<b>Programme Priority Axis: 3</b>	<b>Investment Priority: 3c and 3d</b>
<b>Existing Project Value (D2N2): £1,529,331</b>	<b>Existing ERDF Value (D2N2): £699,131</b>
<b>Proposed Project Value (D2N2): £2,995,365</b>	<b>Proposed ERDF Value (D2N2): £1,412,148</b>
<b>Summary of Discussion</b> Sub-committee members commented that the project was very risky due to existing performance and were not in favour of supporting red-rated projects.	
<b>Advice of the sub-committee</b> The sub-committee advised the Managing Authority that on the basis of current performance, the request to extend was weak and should not be supported.	
<b>Additional conditions suggested</b> N/A	

#### PA4

<b>Project Name: N2EG Continuation</b>	<b>Applicant: Nottingham City Council</b>
<b>Programme Priority Axis: 4</b>	<b>Investment Priority: 4b</b>
<b>Existing Project Value (D2N2): £1,200,000</b>	<b>Existing ERDF Value (D2N2): £600,001</b>



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<b>Proposed Project Value (D2N2):</b> <b>£3,000,000</b>	<b>Proposed ERDF Value (D2N2):</b> <b>£1,500,001</b>
<b>Summary of Discussion</b> Sub-committee members recognised that the existing project was red-rated and felt it would be inappropriate to support this whilst other red-rated projects had been recommended for rejection.  Overall, it was felt that there were also risks that SMEs would not provide the full SME contributions that would be required for this extension to perform.	
<b>Advice of the sub-committee</b> The sub-committee advised the Managing Authority that on the basis of current performance, the case to extend was weak and the extension should not be supported.	
<b>Additional conditions suggested</b> N/A	