


Stoke-on-Trent and Staffordshire ESI Funds Sub-Committee
**Minutes of meeting held 19/01/2017
Dining Room, County Buildings, Staffordshire**
Agenda:

1. Welcome and introduction, and Apologies
2. Minutes of Last Meeting (16/11/2016) and action update
3. Declarations of Interest
4. NEETS presentation
5. ESF Update
6. ERDF Update
7. EAFRD Update
8. ERDF Full Applications
9. Any Other Business

1. Welcome and introduction

- 1.1. The Chair (JD) welcomed attendees to the meeting.
- 1.2. Apologies were received from, Cllr Gordon Alcott, Frances Beatty, Cllr Steven Claymore, Adele Cope, Cllr Patrick Farrington, Andrew Greenhough, Emma Johnson, Michelle Kynaston, Julian Woolford, Sarah Robinson, Andrew Thompson.

2. Minutes of 16/11/2016 meeting and action update

- 2.1. The Deputy Chair (DC) confirmed that a schedule of future meeting dates had been circulated to members.
- 2.2. Sub-committee members agreed that the minutes were a true record of the previous meeting.

3. Declarations of Interest

- 3.1. JD asked Sub-committee members to declare any expressions of interest.
- 3.2. There were no declarations of interest.

4. NEETS Presentation

- 4.1. Delegates of the organisation APM delivered a short presentation to Sub-Committee members. Presentation slides have been attached with the minutes.

5. ESF Update

- 5.1. Joanne Rushdon (JR) provided a verbal summary of two proposed Priority Axis 2 Open Calls. One will address Investment Priority 2.1. The second will address Investment Priority 2.2, focussing on the establishment of a 'Skills Hub.' In both cases, the relevant call specification has now been signed off by the Managing Authority (DWP). Comments on the proposed Calls were invited.
- 5.2. Sub-Committee Members, including Mark Winnington (MW) commented that it was important to ensure that the Calls did not result in a duplication of activity.
- 5.3. JR concurred and added that in each call, there are provisions within the relevant Call Specification to ensure that the risk of duplication is minimised. Bids under the Investment Priority 2.2 Call for example must demonstrate alignment with the Growth Hub and Staffordshire Ladder.
- 5.4. MW enquired as to how the performance of the successful bids would be monitored.
- 5.5. JR advised that successful applicants would be monitored against a suite of specific, quantifiable contracted output targets.
- 5.6. JR and Mark Connell (MC) noted that GBSLEP was in the process of considering a Priority Axis 2 Call, focussed on the establishment of a 'Skills Hub'.
- 5.7. Members agreed with JD that it was important to work with GBSLEP to avoid the potential duplication of service provision within the GBSLEP/SSLEP overlapping area.
- 5.8. Sub-Committee members agreed to support the Investment Priority 2.1 Open Call.
- 5.9. Sub-Committee members agreed to support the Investment Priority 2.2 Open Call, but recognised the need to work with GBSLEP to urgently resolve the issue noted in 5.7.
- 5.10 JR advised members that the ESF Provider Launch Event took place today (19/01/2017) with an excellent turnout.
- 5.11 JR noted the contents of the letter from Catherine Blair (DWP) regarding Value for Money. The letter was circulated to members on 12/01/2017 advised that it was unlikely that official Management Information on ESF-Opt Ins will be available until June 2017. However in the interim LEP officers will be able to provide informal feedback to the Sub-Committee on Provider performance.
- 5.12 Ieuan Ellis (IE) suggested that a concise means of presenting ESF Management Information would be beneficial. Sub-Committee members were in agreement with this.
- 5.13 MC advised that he has asked the LEP Task and Finish Group to develop a template for presenting ESF Management Information to the Sub-Committee.

6. ERDF Update

- 6.1. DC presented the Management Information summary paper, dated 10/01/2017 which was circulated to members on 12/01/2017. Key points are noted in minutes 6.2 – 6.7.
- 6.2. In PA 1 (Innovation), the total amount currently under consideration represents 22% of allocation against the 94% cap (2018), and 20.7% of the allocation at 100%. This leaves £14.8m left to allocate until 2018 and £16.02m until the end of the programme.
- 6.3. For PA3 (SME competitiveness), the total amount currently under consideration represents 76.2% of allocation against the 94% cap (2018), and 71.7% of the allocation at 100%. This leaves £8.18m of unallocated funds to the 2018 target date and £10.38m until the end of the programme.

- 6.4. Priority Axis 4 (Low Carbon) represents 79.6% of the 94% cap (2018 target) and 74.9% of funding allocation at 100% (2023 target).
- 6.5. PA1, PA3 and PA4 are currently forecast to meet their 2018 performance framework indicator targets.
- 6.6. Current forecasts indicate that good progress is being made towards the end of programme output targets for PA1 and PA4. However, PA3 is only currently forecasting to achieve 52% of the final output target, but has now allocated nearly 72% of its budget
- 6.7. There is currently a lack of project activity programmed under PA2 (ICT) and PA6 (Environment) but the Managing Authority acknowledges that local partners are working up schemes in readiness for future Calls.
- 6.8. The Managing Authority has triggered a '12 month review' funding agreement clause for Enterprises Coaches project. The project was considered high risk at full appraisal stage as the project is reliant on grant beneficiary expenditure to ensure the project claims at the contracted intervention rate (60%) The project has only incurred salary costs to date, which they would be seeking 100% reimbursement from ERDF.
A meeting was held with the project in January and discussions are on-going between the applicant and Managing Authority. The Managing Authority will continue to keep the Sub-Committee updated on the status of the project.
- 6.9. The Government has recently announced an emphasis on value for money (VfM) in future European Structural and Investment Funds. Whilst the VfM tests against European Funding are already strong it has been concluded that the Managing Authority should also explicitly set out that it will seek advice from local ESIF committees on this matter. As such it is proposed that additional text is added to the Operational Programme to reflect this.
This change does not impact on the advisory role of local ESIF committees and all decisions will continue to be taken by the Managing Authority.
- 6.10 DC provided a verbal summary of the LEP Operational Programme modifications paper that was circulated to members on 13/01/2017. The paper invited Sub-Committee members to consider the following: Allocate to Priority Axis 3 the additional £1,472,092 ERDF made available following the European Commission's Mid-Term Adjustment of national allocations for cohesion policy; Reallocate to Priority Axis 4, the surplus c.£3,231,371 ERDF identified within Priority Axis 6; Confirm £0 ERDF is required under Priority Axis 2 IP2a (broadband infrastructure) for planned expenditure and the remaining PA2 balance (£399,567 ERDF) is to be allocated to IP2b (ICT demand stimulation) activity only.
- 6.11 The closing date for written comments in response to the paper is 20/01/2017 however DC also invited verbal feedback at the meeting.
- 6.12 With reference to the usage of the additional funds following the adjustment exercise, Paul Hodgkinson (PH) asked about the logistics of gaining permission for the LEP to exceed the Priority 3 allocation cap of 75%.
- 6.13 DC responded that the process for obtaining permission from the Growth Programme Board to exceed the gap is relatively straightforward. He also added that the SSLEP is still comfortably below the 75% allocation cap as the Midlands Engine is not included in this calculation.
- 6.14 Overall Sub-Committee members were supportive of the proposal to allocate to Priority Axis 3 the additional £1,472,092 ERDF made available following the European Commission's Mid-Term Adjustment exercise.
- 6.15 With reference to the proposal to reduce the Priority 6 allocation, PH noted the importance of ensuring that there is a close dialogue with any existing Priority 6 pipeline projects.

- 6.16 PH and MW expressed a preference for transferring 'surplus' Priority 6 funds to Priority Axis 1.
- 6.17 JD suggested that the Priority 6 budget should be reduced to £3.5 million, with 1.5 million transferred to Priority Axis 1.
- 6.18 Sub-Committee Members agreed with this suggestion
- 6.19 Sub-Committee Members agreed with the proposal to place all of the remaining Priority 2 balance under Investment Priority 2b.
- 6.20 DC advised that 2017 Project Calls are likely to be in March, May, July and November.
- 6.21 Sub-Committee Members were invited to express a preference for the Priority Axes to be targeted under the March Call.
- 6.22 Sub-Committee Members expressed a preference for targeting Priority Axes 1, 3 and 6.

7 EAFRD Update

- 7.1 Roger Allonby (RA) provided a verbal summary of the EAFRD update paper circulated to members on 13/01/2017.
- 7.2 A January Call for Tourism Infrastructure, Food Processing, and Business Development projects is expected to be opened in the week commencing 23/01/2017.
- 7.3 Learning lessons from previous bidding rounds, the application process has changed. Changes include replacing the Outline Application with a shorter Expression of Interest form and a move from 3 month to 12 month application windows.
- 7.4 In a related point, in order to increase awareness of EAFRD funding opportunities, an event organised by the Staffordshire Rural Forum will be held on the 26/01/2017.
- 7.5 The £120m of calls approved for launch (by HMT) is slightly lower than the total value requested by all 36 LEP areas with an EAFRD allocation. Therefore, in the first instance, each area's call value has been reduced by 8% to expedite a launch in January. DEFRA/RPA are seeking permission to increase the value back to the original amount requested in the next couple of months.
- 7.6 With regards to the earlier Tourism Co-operation Call, one project (Staffordshire Faith Tourism) has now been issued with a Funding Agreement. The Canal and Rivers Trust project was rejected at the appraisal stage. However the applicant is considering reapplying under a future bidding round and will take into account the discussions and issues raised with the rejected submission.
- 7.7 A third Staffordshire Leader Project Call was launched on 05/01/2017.

8 ERDF Full Applications

- 8.1 DC delivered a verbal summary of the **SMART Concept Fund Project**.
- 8.2 The Smart Concept Fund is an Innovation Proof of Concept Fund to support the commercialisation of new technologies developed by businesses and Universities. The Smart Concept Fund will specifically target technologies that are consistent with SMART Specialisations and local priorities in the Black Country, Stoke/Staffs and the Marches (BCSM) LEP areas, and will award selected SME applicants revenue-based grants of up to £25k against an approved programme of work.

- 8.3DC noted the appraisers' finding that the project offers good value for money and also advised that the project will work closely with the local Growth Hubs. Comments from ESIF Sub-Committee members were invited.
- 8.4PH commented that the level of proposed grant support appears to complement, rather than duplicate existing schemes.
- 8.5Sub-Committee members were in agreement that the project is sufficiently aligned to local strategic priorities.
- 8.6DC delivered a verbal summary of the **Leek Mill Project**.
- 8.7The project aims to provide 21 managed workspace units, and support for 21 businesses in the creative industries sector. The scheme builds on Leek's industrial heritage, and on the expansion of Buxton & Leek College, which is developing new creative arts courses with an entrepreneurial theme.
- 8.8DC noted that the project costs had increased significantly since the outline stage without a commensurate uplift to the output targets. Consequently the project now offers poor value for money. Significant risks were also identified at the appraisal stage regarding the delivery timescale and provisions in place to maintain a compliant audit trail. Taking this all into account, the Managing Authority had recommended rejection of the application. Comments from ESIF Sub-Committee members were invited.
- 8.9Members agreed that the outcome was disappointing, but accepted the rationale and the ESIF Committee agreed with the Managing Authority decision.

9 Any other Business

- 9.1 No further items were raised for consideration on this occasion.

Annex A

List of Agreed Actions from 16/11/2016 SSLEP Sub-Committee Meeting

Agenda Item	Action	Action Assigned to
	Not applicable	

Annex B Attendee List

Stoke-on-Trent and Staffordshire ESI Funds Sub-Committee 16/11/2016 meeting

Chair & Deputy Chair:

Name, title and organisation	Sector/Organisation Representing
Jonathan Dale	Stoke-on-Trent and Staffordshire LEP Board member (Chair)
Darren Cope	DCLG (Deputy Chair)

Sub-Committee Members:

Name, title and organisation	Sector/Organisation Representing
Roger Allonby	DEFRA/RPA
Ieuan Ellis	Staffordshire University
Cllr Terence Follows	Stoke-on-Trent City Council
Paul Hodgkinson	Keele University
Jill Norman	Support Staffordshire
Joanne Rushton	DWP
Len Tildesley	Leek and Buxton College
Cllr Mark Winnington	Staffordshire County Council

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

Name, title and organisation	Sector/Organisation Representing
John Bennett	DCLG
Mark Connell	Stoke-on-Trent City Council
Peter Hamid	DCLG
Nigel Senior	Staffordshire County Council
Glen Watson	Cannock Chase District Council

Apologies:

Name, title and organisation	Sector/Organisation Representing
Cllr Gordon Alcott	Southern Staffordshire District Authorities
Francis Beatty	Rural Forum
Cllr Steven Claymore	Tamworth District Council
Adele Cope	Staffordshire Chambers of Commerce
Cllr Patrick Farrington	Stafford Borough Council
Andrew Greenhough	Stoke-on-Trent College
Emma Johnson	Natural England
Michelle Kynaston	BEIS
Julian Woolford	Staffordshire Wildlife Trust
Sarah Robinson	Stoke-on-Trent College

Andrew Thompson	VAST
Sara Williams	Staffordshire Chambers of Commerce