



European Union

European Structural
and Investment Funds

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

Growth Programme for England

Coventry and Warwickshire ESI Funds Sub-Committee

Minutes of meeting held 23/03/2017

Agenda:

1. Apologies, Minutes of previous meeting and actions.
2. Sub-Committee Membership.
 - 2a) Introduction to new members
3. Programme Updates.
 - 3a) ERDF Update
 - 3b) ESF Update
 - 3c) EAFRD Update
4. Management Information.
 - 4a) ERDF Update
 - 4b) ESF Update
5. Any Other Business.

1. Apologies, Minutes of previous meeting

- 1.1. **John Latham (JL)**, the Chair welcomed the members of the Sub-Committee to the meeting. Apologies received from Mary Dunleavy, (MD) Clive Winters, (CW) Andy Williams, (AW) Sukh Nat, (SN) Sabir Zazai, (SZ) Paul Tolley, (PT)
- 1.2. **JL** reviewed the previous minutes. Minutes from the previous meeting were approved pending the following adjustments. **Matthew Epps (ME)** confirmed that point 2.9 was stated by **Mark Ryder (MR)** and not himself. **Michael Balenski (MB)** confirmed that this will be amended.
- 1.3. **David Hope (DH)** wished to clarify the latest position for Sub Committee members following November's Future Calls paper. Subsequent advice revealed that future calls need to address current gaps in provision and not successor projects. The cap of 75% also remains in place.

2. Sub-Committee Membership.

- 2.1 **MB** outlined the progress made on Sub Committee membership and addressing current gaps in sector representation.
- 2.2 New members of the Sub Committee introduced themselves and their backgrounds.

3. Programme Updates

3a) ERDF Update

MB gave a brief overview of the Circulated Programme update paper. On 17th March 2017 the latest round of ERDF Calls were launched. Outline applications will be invited for submission as follows;

Priority Axis 1: (Promoting Research and Innovation) - £4,500,000

- 1b - promoting business investment in research and innovation;

Priority Axis 2: (Enhancing Access To, and Use and Quality of, information and Communications Technology) – £5,192,000

- 2b – Developing Information and Communications Technology products and services, e-commerce, and enhancing demand for Information and Communications Technology.

Priority Axis 4: (Supporting the Shift Towards a Low Carbon Economy in All Sectors) - £5,700,000

- 4a - Promoting the production and distribution of energy derived from renewable resources.
- 4b - Promoting energy efficiency and renewable energy use in enterprises.
- 4c - Supporting energy efficiency, smart energy management and renewable energy use in public infrastructure, including in public buildings, and in the housing sector.
- 4e - Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and mitigation-relevant adaptation measures.
- 4f - Promoting research and innovation in, and adoption of, low-carbon technologies.

All Calls were supported by the Sub Committee by written procedure and the calls remain open until, 12th May 2017, subject to the availability of funds. The Managing Authority has simplified the Outline application and Outline Assessment form to streamline the process used to-date.

It has been agreed with the Chair and Technical Working Group that it would be in Coventry and Warwickshire's interest to shift focus within Priority Axis 2: from 2a to 2b. This is due to fewer eligible businesses left without superfast broadband access than anticipated since the ESIF Strategy was first developed (£38m) and, in particular, additional commercial rollout, and, therefore infrastructure capacity is not considered an issue for current concern. It should be noted that superfast broadband coverage in the CWLEP area has increased from 82% in 2013 to 91% in 2016. In rural Stratford-on-Avon District, for example, it has increased from 45% to

75%. This shift in focus for ERDF in turn has allowed a larger call for 2b activity to be planned for in March 2017. A subtle refresh has been undertaken of the Coventry and Warwickshire European Structural and Investment Funds Strategy also.

- 3.1. **DH** commented that a range of calls released and looking forward to strong applications being submitted. The Technical Assistance team is holding an event on the 5th April 2017 at Coventry University. He also mentioned the good recognition the Midlands Engine has received to-date.
- 3.2. **DH** stated his hope for further Calls in the autumn for continued business support for the area post 2018. Subsequently it has been confirmed that future Call dates have been tabled at the Growth Programme Board.
- 3.3. **Louise Bennett (LB)** asked what the overall position of calls moving forward is? **MB** responded there is uncertainty at present, but we are hoping for future calls.
- 3.4. **DH** – Confirmed the streamlining of outline application & assessment forms is most welcomed by all. DH expressed his hope that this could continue with full application & appraisal forms to reduce the risk of applicant progressing at risk without a Funding Agreement.

3b) ESF Update

- 3.5. **Inderjit Sanghera (IS)** presented the ESF Programme update, distributed with the meeting paperwork. They are meeting regularly with members of the Technical Working Group (TWG) to discuss future planning. They are keen to avoid duplication with contracted Open Call and Opt-In activity and ensure there is sufficient funding left over for the 2nd half of the programme.

Funding Agreements have been issued for 'Connect Me' 'Active Inclusion in Warwickshire', 'Exceed in Coventry' and 'Routes to Ambition'. A final decision is due to be made in due course against Collaborate to Train and Export Skills for Growth.

There has been no confirmation about whether the Opt-Ins will be taking part in the 2nd half of the programme. The SFA-who have applications in Coventry and Warwickshire against I.P 1.2 and 2.1, will be closing these projects towards the mid-point of 2018 and will not take any further part in ESF activities due to the devolution of the adult skills budget in 2018. Confirmation has not been received from Big Lottery Fund (BLF) or DWP on whether they will be involved in the 2nd half of the programme.

No claims have been submitted yet by the Opt-Ins, with the first tranche of claims due in for Q1 of 2017. Once these claims have been submitted, processed and paid, the MA should have further M.I on performance within the LEP area for both spend and deliverables.

Learn Direct were successful against the SFA's I.P 1.2 procurement, with delivery beginning on 01/07/16. Serco were successful against the I.P 2.1 procurement, with delivery beginning on 03/10/16.

A change request will be submitted in due course with confirmation of the SFA's commitment and deliverables profiles following the award of contracts above. This

Change Request will be appraised by the MA and submitted to the ESF Committee in due course.

GroundWork, CW CDA and Citizens Advice Bureau were successful against BLF's grant bidding process.

Reed in Partnership were successful against DWP's procurement process, with delivery beginning on 09/01/17

3.6. **Rachel Stewart (RS)** commented that she / colleagues have experienced issues with the levels of Management information received from ESF at a project level. She also commented on the claw back received for Learn Direct. She felt that the reduction in overall NEET's plus the fact that 18 year old's could no longer be counted seemed unfair. She posed the question of, how can we address this?

3.7. **IS** responded by stating he would look into these issues and report back.

3.8. **Iona Old (IO)** stated how can the Job Centre Plus help with increasing numbers to address this problem?

3.9. **LB** asked **IS** can a matrix be constructed so underperforming projects can be seen and addressed before they become an issue? She also asked if all projects had been granted Funding Agreements, as she was awaiting a project to be contracted.

3.10. **DH** stated that governance on projects needs to be adequately strong enough. He also commented on the future of the opt-in position and further discussions are required as support is on-going in C&W. He stated that's it's good to see projects up and running.

3.11. **ME** asked how the Sub Committee can support the opt-in agreements and how can we help.

3.12. **IS** stated he will look into this and welcomes any feedback, however currently our MI does not provide project level data.

3c) EAFRD Update

3.13 **Bob Gregson (BG)** provided an update on the latest position. On 25 January £120m of EAFRD Growth Programme funding calls were launched, inviting Expression of Interest applications for Tourism Infrastructure, Food Processing, and Business Development projects. Each ESIF Sub-Committee has identified how much of its allocation of EAFRD funding it wishes to assign to each of the three National Calls. The calls remain open until January 2018, subject to the availability of funds.

Following a process review we have simplified the applicant information into three bespoke handbooks rather than individual calls. We have also introduced a shorter Expression or

Interest (Eol) form in place of the previous Outline Application. RPA will aim to provide an outcome 30 working days (6 weeks)

To raise awareness of the new EAFRD Calls CWLEP will be holding 3 workshops across the county, the events, in Warwick, Stoneleigh Park and Sutton Coldfield.

Progress on Round 1 and Round 2, Growth Call projects was given from paper circulated. A leader update was given confirming Total value of grants awarded to date is £130,660 of which £9,744 has been claimed. The next call for bids will be launched on 13th March and is due to close on 1st May 2017. Finally an update to Current EAFRD Calls and priorities in the CWLEP area was given at

- Business Development (£1,500,000)
- Tourism Infrastructure (£500,000)

3.14 **Samuel Hardy (SH)** asked when the applications will be assessed, if Calls are open until January 2018.

3.15 **BG** Confirmed applications will be assessed as soon as they come in and will aim to provide an outcome 30 working days (6 weeks)

3.16 **ME** confirmed there is lots of interest in these calls and the workshops will be popular. He confirmed that there will be 29 businesses at Stoneleigh Park and 50 businesses at Warwick and Sutton Coldfield.

3.17 **Janette Pallas (JP)** confirmed good numbers received by them also.

4. Management Information

4a) ERDF Update

4.1 **MB** presented an overview stating there remain 19 projects at different stages, submitted through various Calls for the Coventry and Warwickshire LEP area. Since the last Sub Committee meeting 31st November 2016 the position is as follows; 16 Projects are currently LIVE and have a signed Funding Agreement. 2 Projects have been approved and are currently going through the Funding Agreement process (AMCASH and Extending the Superfast Broadband Network) 1 Project remains at the Full application stage and going through the Appraisal process, (Very Light Rail).

4.2 Midlands Engine Investment Fund proposed contribution from this LEP area, which has been ring-fenced. Gaps in funding allocation continue to be identified in PA4 (30.9% allocated), and performance framework targets in PA2 (34% forecast) and PA4 (18% forecast). These look to be addressed in the latest call.

4.3 **IO** asked if all acronyms could be explained in greater detail, so all members of the committee could understand them. EG- full wording of the priority axis, instead of PA1 etc.

4.4 **DH** confirmed the progress is encouraging. For Priority Axis 3 there is no impact on 2018 targets but for C1 targets (Number of enterprises receiving support) outputs will be lower than paper circulated. The work of British Business Bank has done to raise awareness for the formal launch of the Midlands Engine has been received positively and contracting has begun.

4b) ESF Update

4.5 **IS** presented an overview that there are 8 live Open Call Projects in Coventry and Warwickshire LEP Area, as well as the Technical Assistance Project and 2 Open Call applications currently at Full Appraisal stage, with a decision due on these in due course. Four applications were received from three CFOs (DWP, Big Lottery Fund and Skills Funding Agency) and all MOU's have been signed. Progress On Coventry and Warwickshire's £56.6m allocation, £24.8m has been committed, leaving the area with 56.07% of its allocation. There is also a decision due in due course on and Collaborate to Train (£1.7m) and Export Skills for Growth (180k). There is currently an over-commitment against I.P 1.2 (£690k), however this should reduce due to movement of funds previously agreed. There are plans to publish a 1.1, and potentially a 2.2, call in Q3 or Q4 2017. The MA consulted with the LEP in regards to the residual YEI Allocation, the decision was made not to publish a call and the residual YEI allocation can be utilised by Ambition Coventry, dependant on its performance. Overall the LEP Area is making good progress with its allocation and central to future planning that there is enough funding left over in the second half of the programme, as well as avoiding duplication with currently contracted provision.

4.6 **IO** Where are these figures used and are local figures taken into account before expanding projects?

4.7 **IS** stated they use E-claims to gather information on commitment before going out to call.

4.8 **RS** confirmed these are only Coventry and Warwickshire.

4.9 **Junaid Hussain (JH)** asked if detailed Management Information (MI) reports were available to the committee.

4.10 **IS** responded when E-claims is fully up and running, reports will be sent to all committee members.

4.11 **IO** is ethnicity statistics part of the MI data as the area has a problem with BAME take-up.

4.12 **IS** responded yes

4.13 **ME** asked in regards to future planning of the Learn Direct contractor, how has the economy changed since the strategy was published? NEET's have decreased two thirds to when strategy written so how is the remaining group going to be targeted? Can extra money be requested within the allocation?

4.14 **IS** responded that they actively manage the programme to support the outputs. Unit costs are used to help develop the support strategy but higher unit costs can be set, to target hard to reach group, this can be arranged, dependant on how the LEP area is performing against targets

4.15 **LB** commented that higher unit costs may add more to the economy, as number of NEET's decreases. It is far more relevant to up-skilling those people who have already found jobs, but wish to progress further in their careers.

4.16 **IS** commented that he can assess unit costs to get things moving.

4.17 **DH** Commented that the Sub Committee needs more information as to the progress of projects. So more informed decisions can be made to issues such as unit costs etc.

4.18 **ME** asked if EAFRD outputs would be available to be discussed by the Sub Committee.

4.19 **BG** confirmed yes.

5. Any other business

5.1 No other business.

Date, time and venue of future meetings:

- Review Meeting: Monday 24th April 10:30 – 12:30 (Alan Berry Building – Coventry University)
- Review Meeting: Wednesday 24th May 10:30 – 12:30 (Alan Berry Building – Coventry University)
- Full Quarterly Meeting: Tuesday 27th June 10:30 – 12:30 (Alan Berry Building – Coventry University)

Attendance List

Attendee	Sector Represented
John Latham	Chair
Inderjit Sanghera	Managing Authority (DWP)
Michael Balenski	Managing Authority (DCLG)
Christopher Tate	Managing Authority (DCLG – Minutes)
Rachel Stewart	Technical Working Group
Linda Beauchamp	BEIS-Local Growth

Bill Hunt	Local Nature Partnership(Environmental)
David Hope	Local Authority (alternate)
Steve Maxey	Local Authority
Craig Perry	Technical Assistance
Samuel Hardy	HE
Matthew Epps	Technical Working Group
Janette Pallas	SME rep
Bob Greyson	Managing Authority (RPA)
Louise Bennett	Private Sector
Iona Old	Jobcentre Plus
Junaid Husain	Equalities
Sharon Donley	VP Standards