



**European Union**

European Structural  
and Investment Funds

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

**Growth Programme for England**

## **Greater Lincolnshire ESI Funds Sub-committee (CORE meeting)**

**Minutes of meeting held 18 September 2017 – 10.00am**

**Oak House Business Centre, Witham Park, Waterhouse South, Lincoln, (LN5 7FB)**

### **Agenda:**

- 1. Welcome and introduction**
- 2. Minutes of previous meetings and progress of actions (06/06)**
- 3. Written Procedures**
- 4. Outline Applications**
- 5. National Update on ESIF Growth Programme**
- 6. ERDF: Performance Management and future calls**
- 7. Items for information**

### **1. Welcome and introduction**

- 1.1. The Chair, Pat Doody (PD) welcomed everyone to the meeting, apologies were noted.
- 1.2. PD invited Members to declare any interests, none were received.
- 1.3. The Education, Skills and Employment representative Amanda Mosek has resigned from the Committee, a replacement is being sought.

### **2. Minutes of 06 June and progress of actions**

- 2.1. The minutes of the June meeting were approved. PD again queried the arrangements for rescheduling the Broadband presentation and mentioned he was still receiving comments about poor Broadband coverage in the County. ABr to invite Steve Brooks to present at a future meeting.

**AP1: AB to invite Steve Brooks to present at a future meeting on the Lincolnshire Broadband Programme.**

- 2.2. PD commented that para 5.6 is more about what match funding is available from the Higher Education sector.
- 2.3. MC confirmed that an up to date list of approved PA4 projects had been circulated.

### **3. Written Procedures**

- 3.1. Seven EAFRD projects were circulated on 20 June(4) and 1 September (3) via written procedure, letters have been sent inviting projects to submit full applications.

## **4. Outline Applications**

### **EAFRD**

AK presented two projects for review and advice in relation to the Food Processing call:-

#### **Project - Low care washing and grading system**

- 4.1. The project involves the purchase of low level washing and grading equipment to allow the applicant to produce weighed, washed and bagged brassica for its major supermarket customers. In addition the project will introduce optical sorting equipment to remove defects and a system to detect metal within the product. Total grant requested is £270K, the project represents a strong strategic fit and achieved a score of 4. More detail will be required at full application stage.
- 4.2. PB commented that the project was a good business and should be supported.
- 4.3. PD stated that the project represented a good fit with local and national priorities, however it should be requested to demonstrate the need for funding as it appears expensive from a value for money perspective, 50K per unit against an Operational Plan benchmark of 30K, although value for money is not the only priority.
- 4.4. AK to ensure that there is no duplication with existing round 1 projects as the applicant has received funding in the past.
- 4.5. AB commented the project will need to demonstrate water resource efficiency as this is a LEP priority.
- 4.6. Members were supportive of the project subject to the comments provided.

#### **Project – Coggon Bros Investment Project**

- 4.7. The applicant is an arable farmer with a potato processing enterprise. The project intends to purchase a fully automated grading facility and create an insulated processing facility. The project will take place at its current premises in West Butterwick, Lincolnshire. This capital investment will allow the business to expand and grow turnover, increase profits and increase the productivity of their potato processing enterprise. It is intended to market increasingly sophisticated pack sizes to suit customer demands. Total grant requested is £172k, outputs include £300k increased turnover and 3 FTE jobs created, the project represents a strong strategic fit and achieved a score of 4. The project represents a well considered proposal and it is recommended that it should be invited to submit a full application
- 4.8. PD said that more work was required to evidence benefits to the supply chain and export potential. The value for money seems poor at over 50K per FTE, however in principle it appears to be a good proposal.
- 4.9. Members were supportive of the proposal subject to the comments provided.

## 5. National Update on ESIF Growth Programme

### EAFRD

- 5.1. AK provided members with an update on the EAFRD Growth Programme which included a summary on the current Growth Programme Calls, future activity and funding and EAFRD Growth Programme applications to the GLLEP calls.
- 5.2. Three EAFRD Growth Programme calls are currently open under Tourism Infrastructure, Business Development and Food Processing themes. Members discussed how the remaining funds of £4,238,073 might be allocated across the three calls.
- 5.3. SL commented that Tourism is the most under subscribed and this seems to be related to eligibility issues. She suggested that £2m should be allocated to Food Processing, £1.5m to Business Development and 800/900k to top up the Tourism Call.
- 5.4. BB and PD commented that this course of action would seem reasonable.
- 5.5. AK reported that the National team has arranged workshops on 25 September and 10 October, one for forestry and one for water. The Forestry Commission have circulated details to customers and are working with the Environment Agency to publicise.

**AP2: AK to circulate information about EAFRD events to ESIF members and forums that might be interested.**

### ERDF

- 5.7. MC provided members with a verbal ERDF National update which included detail of the national Programme position, the future call schedule and programme highlights. Members in particular noted:-
- 5.8. At the end of June 2017, 441 Funding Agreements had been issued worth £1.181 billion (42% of fund allocation) and a further £653 million of applications were under consideration.
- 5.9. Further new calls were scheduled to be published in September and November 2017 with a call window date for March 2018 to be confirmed.
- 5.10. The Operational programme modifications had been submitted to the EC and were being considered for formal approval following internal consultation.
- 5.11. PA4 eligibility has been widened, the latest practitioner bulletin highlighted differences and gave case studies information. The May edition of the bulletin also gave some live PA4 case studies.
- 5.12. The Autumn Budget date is now confirmed as 22 November 2017.

## ESF

- 5.13 ABr presented TGs paper on the ESF programme which included a progress update on the ESF calls and applications for funding and reported that 44% of the programme budget has been committed by the Managing Authority.
- 5.14 ABr stated that there had been little change from the previous update. The Managing Authority still had approximately £26m remaining funds to allocate over the programme lifetime, the main concern related to the availability of sufficient funds to allow the drawdown of match. ABr said that TG indicated that future calls via direct bidding may be looked on favourably, subject to various criteria being met, however acknowledged the issue of match funding would still be a problem.

PD re-iterated that the main issue in relation to commitment of remaining funds is the lack of match funding.

**AP3: ABr to contact TG to obtain an official line on how DWP plan to take a more structured approach to delivering the programme and provision of performance management information data.**

**AP4: ABr to provide Maximus case studies for members to show individuals journeys.**

## 6. ERDF: Performance Management & Future Calls

- 6.1. MC gave an update on current progress of the ERDF Programme at LEP level and provided members with updated management information showing progress against spend and outputs targets. MC also gave detail of the future ERDF call schedule to inform the Sub-committee's consideration of future activity. MC informed members that the management information provided did not reflect the Operational programme modifications, which are being considered by the European Commission that would be reflected in future Management Information reports.
- 6.2. MC asked that members note:-
- There is sufficient contracted and potential commitment in place to meet the 2018 performance framework spend and output targets under Priority Axes 1, 2, 3 and 5.
  - There is a shortfall of commitment in place to meet the PA4 2018 performance framework spend target.
  - No commitment is in place under Priority Axis 6 to meet the associated 2018 performance framework targets.
- 6.3. PA4 - SL said that a Specialist Low Carbon Consultant had been procured and was aware that revised guidance would be published imminently. The consultant would be working with potential applicants to support development of eligible PA4 projects. MC said that D2N2 had successfully used this approach and were able to demonstrate added value.

- 6.4. SL proposed opening a PA4 call in November as it was unlikely that there would be many projects submitted by the rolling call deadline of 31 October 2017.
- 6.5. FS said that this approach could be equally applied to PA5 and PA6.
- 6.6. PA5 - AB said that the Humber LEP is oversubscribed, although the EA are undersubscribed and considering how to commit funds. Following discussion it was agreed that it would be better to draft a revised call template and to work with the Humber LEP to launch an open call in November for the full allocation.
- 6.7. PA6 - MC informed members that the revised allocation for PA6 is £2.376m and that the PA6 project currently under consideration would need to reduce the ERDF amount requested as a result of the operational programme modification exercise. The project currently in appraisal is for Gainsborough Marina which is a complex scheme likely to be subject to eligibility issues.
- 6.8. PD commented that in terms of performance most priority axes have pipeline projects with the exception of PA4.
- 6.9. AB asked as this is a national programme whether there was an opportunity to re-allocate funds from other areas around the country. PD responded that at present this option was not available.
- 6.10. Future Calls - members agreed that they were content to proceed with future calls for priorities 1, 3, 4 and 5.
- 6.11. SL said that an analysis of projects seeking continuation funding under PA3 would need to be undertaken due to the 18 month rule. MC said that figures could be provided.

**AP5: MC to circulate revised PA4 guidance.**

**AP6: MC to draft revised PA5 template for November call launch.**

**AP7: MC to provide SL with information on which PA3 projects may seek continuation funding.**

## **7. Items for Information**

There were no items for information.

### **Date, time and venue for future meetings:**

Tuesday 17 October 2017 - 10.30am -12.00 - interim meeting, Breckon Suite, Myle Cross Centre.

Tuesday 14 November 2017 - interim meeting, Newland Room, County Offices.

**Tuesday 5 December 2017 - CORE meeting, Newland Room, County Offices.**

## Annex A

### List of Agreed Actions from 18/09/2017 GLLEP Sub-committee meeting

Agenda Item	Action	Action Assigned to
2	AP1: ABr to invite Steve Brooks to present at a future meeting on the Lincolnshire Broadband Programme.	ABr
5	AP2: AK to circulate information about EAFRD events to ESIF members and forums that might be interested.	AK
5	AP3: ABr to contact TG to obtain an official line on how DWP plan to take a more structured approach to delivering the programme and provision of performance management information data.	ABr
5	AP4: ABr to provide Maximus case studies for members to show individuals journeys.	ABr
6	AP5: MC to circulate revised PA4 guidance.	DCLG
6	AP6: MC to draft revised PA5 template for November call launch.	DCLG
6	AP7: MC to provide SL with information on which PA3 projects may seek continuation funding.	DCLG

## **Annex B Attendee List**

### **GLLEP ESI Funds Sub-committee 18/09/2017 meeting**

#### **Chair & Deputy Chair:**

<b>Name</b>	<b>Sector/Organisation Representing</b>
Pat Doody (PD) – Chair	Private sector
Melanie Crunkhorn (MC)	Managing Authority (DCLG)

#### **Sub-committee members:**

<b>Name</b>	<b>Sector/Organisation Representing</b>
Ben Barley (BB)	Voluntary and Community Sector
Fran Smith (FS)	Environment
Andy Bailey (AB)	Environment
Cllr Peter Bedford (Cllr PB)	Boston Borough Council

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

<b>Name, title and organisation</b>	<b>Sector/Organisation Representing</b>
Alex King (AK)	Rural Payments Agency (EAFRD Managing Authority)
Jacqueline Moody (JM)	Managing Authority (DCLG)
Andrew O'Shaughnessy (AOS)	Managing Authority (DCLG)
Susannah Lewis (SL)	Lincolnshire County Council
Andrew Brooks (ABr)	Lincolnshire County Council
Graham Metcalfe	DWP

#### **Apologies:**

<b>Name, title and organisation</b>	<b>Sector/Organisation Representing</b>
Jasmine Sodhi (JS)	Equalities and Non-Discrimination
Ruth Carver (RC)	GLLEP
Chris Duffill (CD)	North East Lincolnshire Council
Martin Boyers (MB)	Private sector
Sheryle Price-Jones (SPJ)	North Lincolnshire County Council
Roger Allonby (RA)	EAFRD Managing Authority
Tim George (TG)	ESF Managing Authority
Samantha Harrison (SH)	Lincolnshire County Council
Justin Brown (JB)	Lincolnshire County Council
Pete Holmes (PH)	BEIS
Prof Jayne Mitchell (JM)	Higher Education