



Stoke-on-Trent and Staffordshire ESI Funds Sub-Committee

Minutes of meeting held 19/03/2018

Civic Centre, Stoke-on-Trent

Agenda:

1. Welcome and introduction
2. Minutes of 15/01/2018 meeting and action update
3. Declarations of Interest
4. ESF Project Presentation: Work Routes
5. ERDF MI Report
6. ESF Update
7. EAFRD Update
8. ERDF Outline Assessments
9. ERDF Full Appraisal
10. Any other business

1. Welcome and introduction

1.1. The Chair (Paul Farmer) welcomed meeting attendees.

2. Minutes of 15/01/2018 meeting and action update

2.1. The Sub-Committee members agreed that the minutes were an accurate record of the meeting on 15/01/18.

2.2. Darren Cope (DC) confirmed completion of Action Point 1 (Manufacturing Support) from the previous meeting.

3. Declarations of Interest

3.1. Gordon Alcott (GA) asked the Chair to remind members to consider carefully prior to participating in discussions if they are conflicted in any way. He also commented that ESIF members should not participate/vote on an application when conflicted, as this in turn avoids any conflicts of interest being made. These comments were relayed by the Chair and DC on behalf of GA who had previously sent his apologies.

3.2. The comments made by GA were noted by ESIF Sub-Committee members.

3.3. The Chair, Mark Bacon (MB) and Adele Cope (AC) declared an interest in Item 8. Julian Woolford (JW) declared an interest in Item 9.

4. ESF Project Presentation: Work Routes

- 4.1. Darius Hermanski (DH) representing Reed in Partnership delivered a presentation on the above project. Slides have been circulated to all members with the minutes of this meeting.
- 4.2. Jill Norman (JN) asked about the relationship between Work Routes and similar programmes such as Building Better Opportunities (BBO).
- 4.3. DH acknowledged that it might be appropriate in some instances for beneficiaries receiving support under Work Routes to be referred to another programme such as BBO. Further to this, conversations are being held with other support programmes including BBO and Steps to Work.
- 4.4. Mark Connell (MC) asked if Work Routes offered in-work support.
- 4.5. DH advised that contact/support is maintained with beneficiaries after placements/employment is secured. Assistance can include for example support to purchase equipment.
- 4.6. AC asked for details on how Work Routes works with employers.
- 4.7. DH provided a number of examples. This includes actively searching for adverts for jobs that could be filled by beneficiaries and encouraging a range of local employers to offer work placements.
- 4.8. Sub-Committee Members thanked DH for the presentation.

5. ERDF Update

- 5.1. Darren Cope (DC) presented the latest Stoke-on-Trent and Staffordshire (SSLEP) Performance Management report, which was circulated to Sub-Committee members prior to the meeting.
- 5.2. In PA 1 (Innovation), the total amount currently under consideration represents 81.3% of the notional allocation. This leaves £4.054m of unallocated funds. For PA3 (SME competitiveness), the total amount currently under consideration represents 81% of the allocation at 100%. This leaves £7.54m of unallocated funds. Priority Axis 4 (Low Carbon) represents nearly 85% of the notional funding allocation at 100%. Priority Axis 6 (Environment) represents 60% of the notional funding allocation at 100%. There is currently no activity programmed under PA2 (ICT). In terms of ERDF value, PA3 represents 64% of the SSLEP's total contracted activity to date. Contracted expenditure for PA3 (£31.91m) is significantly above the 2018 performance framework target (£16.96m). £16.056m has been claimed to date leaving £903K to be claimed by Q3 2018. The level of contracted expenditure for other PAs is currently lower than their respective performance framework target values. PA4 is at 83.4%. As of the end of Q3 2017, slippage across PAs varied from 19.24% (PA3) to 47% (PA4) of the target value (£5.51m), whilst PA1 is currently at 41%. PA2 and PA6 are at 0%. The December PA3 (£6m) and PA4 (£2m) Calls closed on 26th January 2018. This resulted in 3 project proposals. The Managing Authority (MA) is now working on the basis that the Operational Programme will run for the full period. In view of this two further Calls have been scheduled for October 2018 and March 2019.
- 5.3. Jo Jury (JJ) asked DC to clarify the final point regarding the programme running for the full period.
- 5.4. HMT has confirmed that the UK will remain in the 2014-2020 ERDF until programme closure. LEPs will continue to receive the same level of ESI funding during the implementation period as they would have if the UK was a member state.

- 5.5. The MA will continue awarding funding to successful applications and is currently looking to hold additional Calls in October 2018 and March 2019.
- 5.6. Nigel Senior (NS) asked about the possibility of providing project level Management Information at future meetings.
- 5.7. DC replied that this could be provided if there was demand from members. However he also reminded members that project performance management was the responsibility of the MA.
- 5.8. It was agreed that the next ERDF Management Information report would include project-level data.
- 5.9. DC advised that during Q4 2017, meetings had been held with projects to discuss slippage against spend and output profiles. A number of projects have subsequently submitted Project Change Requests (PCRs) to revise profiles and in some instances to de-commit ERDF. The impact of the PCRs will be reflected in future Management Information reports.

6. ESF Update

- 6.1. Harjinder Dhami (HD) presented a paper in respect of the above agenda item, which was circulated to members in advance of the meeting.
- 6.2. No significant changes in terms of local commitment levels. Overall, 63.6% of the SSLEP ESF allocation has been committed.
- 6.3. Two applications were received in response to the recent IP 2.1 and IP 2.2 calls. In both instances, Full Applications were invited with a due date of 23rd January 2018. The 2.2 Staffordshire Skills Hub project is currently under review and will be presented to the Sub-Committee in due course. During the review of the 2.1 Support Higher Level Skills project, the lead applicant (Staffordshire University) asked if one of the partners (Stoke-on-Trent College) could serve as the lead instead. As a new applicant the college was subject to the usual gateway criteria and due diligence checks. The application failed at this stage and a decision was issued to the project on 5th March 2018
- 6.4. National update: **HMPPS (formerly NOMS)** has committed the whole of their ESF budget and agreements cover the whole duration of the ESF 14-20 Programme. This accounts for £131m of the ESF budget. Total claims paid up to and including Q3 2017 amount to £40.65m. **DWP:** The London and Manchester applications have been approved with the Work & Health Programme providing match funding. Claims have been paid for Quarter 4 £295k, Quarter 1 £3.37m and Quarter 2 £3m. Total £6.67m. **BLF** has committed the majority of their allocation. The MA is working with BLF to explore flexibilities including making maximum use of project extensions and PCRs to expand activity. Claims have been paid for Quarter 1 for £3m and Quarter 2 for £9.7m. Claims for Q3 are currently being progressed these amount to c£16.4m. **ESFA:** As a result of changes within the ESFA there has been a reduction in available match funding and time to deliver the programme. The original timeline for delivery of the contracts was up to December 2019. This was reduced to March 18 initially but has since been increased to July 18. This has impacted on the total value of applications to the Managing Authority which has fallen from £722.2m to £556m. However this has in turn allowed the reallocation of the funds to be used to meet local priorities, leading to many areas launching calls for proposals which have replaced the shortfalls through the reduction in ESFA funding. All calls launched have been in line with the local and nationally agreed plans. Currently ESFA are having discussions with local LEP representatives to scope local requirements and finalise the ESFA offer going forward.

£27m of claims has been received and paid for the ESFA for up until the period of Q2 2017.

The MA has been working with the four co-financing organisations (CFOs and parent Whitehall departments) for a number of months to establish their individual positions regarding commitment for the remainder of the programme. We expect to be able to communicate information on this in due course.

- 6.5. Following point 6.4, HD explained that based on a LEP scoping exercise ESFA have submitted two project change requests for SSLEP: 1) An extension of the PA1 activity end date to 31.3.2019 with no increase in value. Commitment would remain unchanged: IP 1.1 @ 70% IP 1.2 @ 83% and IP 1.4 @ 81%.
2) An extension of the PA2 activity end date to 31.3.2019, an increase in ESF value from £7.7m to £11.3m and an increase in total project value from £12.86m to £18.8m. When PCRs are ready they will need to be presented to the ESIF committee for comments on Strategic Fit and Value for money.
- 6.6. To enable the ESFA to begin contractual dialogues with their contractors to implement changes and ensure continuity of delivery HD asked if the Sub-Committee would be willing to consider a request for comments on a prospective ESFA PA2 Call via written procedure. Comments would be required within 5 days.
- 6.7. The Sub-Committee members agreed to this request.
- 6.8. Mark Bacon (MB) asked about the feasibility of re-visiting the Support Higher Level Skills project.
- 6.9. HD replied that a decision had been made and that the decision notice would include details regarding appeal or review. The Applicant would need to make official representation to the MA before any such consideration could begin. Otherwise, to ensure propriety in terms of the ESF procurement rules, a new call would have to be developed and launched to procure for additional activity.
- 6.10. HD commented that claims are being submitted by the Co-Financing organisations, but due to technical problems the data is not being pulled through into the official Management Information reports of the MA. HD added that in the interim it would be possible to compile 'unofficial' reports including anecdotal LEP information using the claims data. However MA LEP Leads are not allowed to produce such reports as a substitute for or complement to the provision of national Management Information.

7. EAFRD Update

- 7.1. Jo Jury (JJ) presented a report on behalf of the RPA. The report was circulated to Sub-Committee members in advance of the meeting.
- 7.2. The indicative SSLEP ESIF allocation is £3million. Calls to date have resulted in: a) The Faith Tourism project contracted at a value of £37,080 and b) 9 projects which are currently developing Full Applications – Total ESIF Value £1.12 million.
- 7.3. Some of the aforementioned 9 projects are experiencing problems which could result in withdrawals, thus impacting on commitment levels.
- 7.4. It is recognised that the SSLEP pipeline is not as strong as it should be. Steps are being taken to address this and a meeting was recently held between the RPA and LEP officers to identify potential Food & Drink and Tourism infrastructure projects.
- 7.5. NS built upon point 7.4, providing several examples of potential Tourism infrastructure projects which could submit Expressions of Interest in the near future.
- 7.6. JJ re-iterated that the deadline for submitting Expressions of Interest under the RDPE Growth Programme has **not** been extended – it remains at 31/05/2018.

7.7.JJ noted that Staffordshire LEADER is performing adequately. All Leader groups are contracted to deliver 50% of the allocated budget by May 2018 and based on the pipeline Staffordshire LEADER will achieve this target.

8. ERDF Outline Assessments

8.1. Three projects, Stoke-on-Trent and Staffordshire Grants for Growth, Stoke-on-Trent Staffordshire Growth Hub and Low Carbon Business Evolution Programme were due to be considered in terms of local Strategic fit and Value for Money by the ESIF Sub-Committee. Due to time constraints it was agreed that these projects would be considered via written procedure.

9. ERDF Full Application: SUNRISE

9.1. DC provided a verbal summary of the project. During the appraisal it was noted that the project scored well in terms of Value for Money. The appraiser did raise a number of conditions including a requirement to confirm match-funding and to provide evidence of control in respect of each site.

9.2. GA queried (via email) why the project was restricted to a portion of the SSLEP area.

9.3. MC advised that the project was not designed at the outset to focus to exclude portions of the SSLEP area. The scope of the project was however shaped by the need to avoid duplication with the Countryside Stewardship Scheme. In addition some of the schemes that might have potentially been delivered under the project fell away as the application progressed.

9.4. Sub-Committee members agreed that the project offers sufficient Value for Money and is sufficiently aligned to local priorities.

10. Any Other Business

10.1 Agreed that there were no further issues to be raised for discussion.

Date, time and venue of future meetings:

- The next meeting will be in June 2018, further details to be provided in due course.

Annex A

List of Agreed Actions from 19/03/2018 Stoke-on-Trent and Staffordshire ESIF Sub-Committee Meeting

Agenda Item	Action	Action Assigned to
N/A	N/A	N/A

Annex B Attendee List

Stoke-on-Trent and Staffordshire ESI Funds Sub-Committee 19/03/2018 meeting

Chair & Deputy Chair:

Name, title and organisation	Sector/Organisation Representing
Paul Farmer	Stoke on Trent & Staffordshire Board Member
Darren Cope	DCLG

Sub-Committee Members:

Name, title and organisation	Sector/Organisation Representing
Mark Bacon	Keele University
Adele Cope	Private Sector
Harjinder Dhami	DWP
Jo Jury	DEFRA/RPA
Jill Norman	Support Staffordshire
Julian Woolford	Staffordshire Wildlife Trust

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

Name, title and organisation	Sector/Organisation Representing
Mark Connell	Stoke-on-Trent City Council
Peter Hamid	DCLG
Nigel Senior	Staffordshire County Council

*Note 2 representatives of Reed attended to present Agenda Item 4. They left the meeting after the conclusion of Agenda Item 4.

Apologies: Listed only if both the member AND their alternate (if applicable) have sent apologies)

Name, title and organisation	Sector/Organisation Representing
Cllr Gordon Alcott	Southern Staffordshire District Authorities
Cllr Philip Atkins	Staffordshire County Council
Frances Beatty	Rural Forum
Ieuan Ellis	Staffordshire University
Michelle Kynaston	BEIS
Cllr Anthony Munday	Stoke-on-Trent City Council
Andrew Thompson	VAST
Cllr Mark Winnington	Staffordshire County Council
Andrea Whitworth	BEIS