



West of England ESI Funds Sub-committee

Minutes of meeting held 13 March 2019

The Morning Room, Business West, Leigh Court, Abbots Leigh, Bristol BS8 3RA

Agenda:

1. Welcome and introduction
2. Minutes of 11 July 2018 meeting and action update
3. European Social Fund (ESF) Update
4. European Agricultural Fund for Rural Development (EAFRD) Update
5. European Regional Development Funds (ERDF) Performance Dashboard
6. ERDF Assessments
7. ERDF Appraisals
8. ERDF Call
9. Any Other Business

1. Welcome and introduction

- 1.1. **Phil Smith** was introduced as the new Chair.
- 1.2. The Chair welcomed members, **Phil Smith** was thanked for hosting the meeting and Business West for providing lunch.
- 1.3. Apologies were noted, as detailed in Annex B. **Angela Quinn** has now left the EAFRD MA and passed on her thanks and best wishes to the members.
- 1.4. The Chair asked for nominations for representatives for the following sectors:
 - Higher Education
 - Sustainable Development
 - TUC
- 1.5. The following declarations of interest were noted:
 - **Robin McDowell** declared an interest in the CAMERA Motion Capture Innovation Studio project.
 - **Paul Appleby** declared an interest in the CAMERA Motion Capture Innovation Studio project.
 - **Antony Corfield** declared an interest in the Research & Innovation Challenge Fund project.
- 1.6. There were no declarations of interest from **Phil Smith**, **Hilary Neal** or **Simon Gregory**.

- **Action 1 – Antony Corfield to contact the Chair of the West of England LEP for potential sector representatives and to liaise with the ERDF MA.**

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- **Action 2 – The ERDF MA to review the membership refresh and issue code of conducts and register of interest forms.**

2. Minutes of 11 July 2018 meeting and action update

2.1. Members agreed that the minutes were an accurate record of the previous meeting.

2.2. The actions from the last meeting were reviewed, and noted as complete:

- Action 1 – Members to submit an expression of interest for the Chair's role by the end of July 2018 - **completed.**
- Action 2 – The ERDF managing authority (ERDF MA) to write to Patricia Greer and Jon Hunt to identify the most appropriate organisations to represent the sector interests of the West of England on the sub-committee – **to be dealt with in Action 1 of these minutes.**
- Action 3 – The ERDF MA to have membership representation discussions with the WoE LEP – **to be dealt with in Action 1 of these minutes.**
- Action 4 – The ERDF MA to update the performance dashboard to show all the projects at the various stages – **completed.**
- Action 5 – The ERDF MA to explore through the PA4 network, policy colleagues and local LEP areas what other approaches to PA4 are being adopted elsewhere – **covered under item 5.**
- Action 6 – The ERDF MA to provide an update on the attrition rate for PA4 projects at the next meeting – **covered under item 5.**
- Action 7 – Antony Merritt to contact Economic Development Managers at the local authorities and ask them to work on the revised Call with the TA Team, to be sent out via written procedure – **completed.**
- Action 8 – The ERDF MA to circulate the presentation slides – **completed.**
- Action 9 – The ESF MA to confirm how the sub-committee's advice had been taken into account for the NEET Call – **covered under item 3.**
- Action 10 – The ERDF MA to identify a suitable date for the next meeting – **completed.**

3. ESF Update

3.1. On a national level N+3 has been met and it will be highly likely that the Performance Framework targets will be met in order to release the 6% reserve, but this will be confirmed at a later date.

3.2. Currently the committed spend does not include the projects in the pipeline nor does it include the pipeline Education and Skills Funding Agency (ESFA) change requests.

3.3. Nationally approx. 50% of monies have been committed as expected at the halfway point in the programme. Initially the programme got off to a slow start but there are a number of Calls, Project Change Requests and applications in the pipeline which should increase the level of commitment. The reserve fund will be implemented in the Autumn.

3.4. The West of England is showing as 33% committed and 79% including, projects in the pipeline.

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- 3.5. A member asked for clarity on what stage the Building Better Opportunities (BBO) extension was at. The ESF MA stated that the project change requests were currently being reviewed by the ESF MA.
- 3.6. The ESFA opt in has carried on with the NEETS contract in place. There is a separate NEETS Call to be issued.
- 3.7. ESFA engagement Department for Work and Pensions (DWP) have agreed for West of England Combined Authority (WECA) to progress with the co-finance application.
- 3.8. There are some funds left in investment priority 2.2, but most of it has been taken up by BBO.
- 3.9. The ESF MA gave an overview of the Changing Lives project. Members of the sub-committee advised the ESF MA that whilst the project does not offer value for money, this outline application meets the local strategic needs and members advised the ESF MA to invite the applicant to submit a full application. Members considered that the strategic fit and value for money could be strengthened further if the applicant were to:
 - demonstrate engagement with end users;
 - demonstrate engagement in rural areas to also cover county lines.

4. EAFRD Update

- 4.1. A paper was tabled at the meeting.
- 4.2. Chris Head provided an update on the LEADER programme which is about to complete.
- 4.3. As at 12 March 2019, 77 Expressions of Interest (EOI) have been processed with 30 projects being contracted. £1.34m of grants have been awarded leveraging in £1.798m in match funding, creating 37 FTE jobs, working with all six priority sectors across rural Bath & North East Somerset, North Somerset and South Gloucestershire.
- 4.4. 20 projects have now completed and have been signed off. There are nine applications in the pipeline seeking a total of £161k from a remaining pot of £66k. The average grant value is £44k.
- 4.5. The LEADER programme has been successful and managed in a supportive way with Technical Assistance. Lessons learnt from this programme are being fed back to Department for Environment, Food and Rural Affairs (DEFRA) & the Rural Payments Agency (RPA) to inform the ESIF programme.

5. ERDF Performance Dashboard

- 5.1. The ERDF MA gave an overview of the national performance and tabled graphs summarising delivery against priority axes (PA) spend and output targets. The sub-committee were reminded that in terms of ESI Funds, business as usual applies.
- 5.2. Nationally, the ERDF N+3 and 2018 performance framework (PF) targets for PA1, PA2 & PA3 in the More Developed area (which includes the West of England) are on target.
- 5.3. PA4 is less likely to achieve the performance framework expenditure target in the More Developed area, although the performance framework output target for PA4 is on track.
- 5.4. In PA1 there are five projects contracted totalling c.£6.7m, two projects at full application totalling c.£1.5m and three projects at outline stage totalling c.£4.5m. The remaining funds available do not allow for all the current applications presented at outline to be taken forward to the next stage in their entirety. Projects could, however be placed on a reserve list if all projects are suitable.
- 5.5. In PA3 the allocation is £11.97m of which £2m is allocated to Sustainable Urban Development (SUD), and there are currently seven contracted projects totalling

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c.£8.55m and two projects at the outline stage totalling c.£3.05m, leaving a balance of c.£376k. Therefore, no future PA3 Call is planned.

5.6. In PA4 £2.83m has already been committed leaving a balance c£4.7m of which £1m is allocated to Sustainable Urban Development (SUD).

5.7. A member asked if contracted projects could be invited to future meetings to demonstrate how outputs are making a difference and their economic and social impact.

- **Action 3 – The ERDF MA to send out copies of the workbook detailing the projects at the various stages.**
- **Action 4 – The ESF MA to send out details of the ESF projects at the various stages.**
- **Action 5 – Phil Smith to liaise with the ERDF MA to invite projects to the next meeting.**

6. ERDF Assessments

PA1 – Digital Innovation Programme

6.1. Members of the sub-committee advised the ERDF MA that this outline application meets the local strategic needs, offers value for money and advised the ERDF MA to invite the applicant to submit a full application. Members considered that the strategic fit and value for money could be strengthened further if the applicant were to:

- demonstrate how the proposal links to the emerging West of England Local Industrial Strategy;
- demonstrate evidence of demand, providing assurance that activities are complementary to current projects and do not duplicate existing provision;
- provide a customer journey flowchart, ensuring the customer journey is clearly outlined.

PA1 – iCAP2

6.2. Members of the sub-committee advised the ERDF MA that this outline application meets the local strategic needs, offers value for money and advised the ERDF MA to invite the applicant to submit a full application.

PA1 – Research & Innovation Challenge Fund

6.3. Members of the sub-committee advised the ERDF MA that this outline application meets the local strategic needs, offers value for money and advised the ERDF MA to invite the applicant to submit a full application. Members recognised that there are insufficient funds available to support all three outline PA3 applications and considered this project could be scaled back, whilst still delivering against the strategy. Members advised that the strategic fit and value for money could be strengthened further if the applicant were to:

- review the amount of ERDF requested to scale the project to a level which is deliverable within the West of England notional allocation amount;
- clarify how the proposal will link with the Growth Hub and wider business support network.

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If the proposal cannot be taken forward at the reduced value, then members of the sub-committee advised the ERDF MA to place the application on the reserve list.

7. ERDF Appraisals

PA1 – Digital Innovation 4 Growth (DI4G)

7.1. Members of the sub-committee advised the ERDF MA that this full application still meets the local strategic needs, offers value for money and advised the ERDF MA to progress the application to contract. Members considered that the strategic fit and value for money could be strengthened further if the applicant were to:

- clarify how the proposal will interact with and link to the Business Acceleration Hubs - Advanced Engineering and Digital Innovation Acceleration Hubs.

PA1 – The CAMERA Motion Capture Innovation Studio

7.2. Members of the sub-committee advised the ERDF MA that this full application meets the local strategic needs, offers value for money and advised the ERDF MA to progress the application to contract.

8. ERDF Call

Future PA4 Call

8.1. The members advised the ERDF MA to issue a broad PA4 Call for £2.706m, and asked the ERDF MA if the remainder of the PA4 allocation be moved to PA1.

- **Action 6 – The ERDF MA to work with Antony Corfield to issue a PA4 Call.**
- **Action 7 – The ERDF MA to arrange a teleconference with the committee members when the Call closes in order to give an idea of the applications received.**
- **Action 8 - The ERDF MA to consider request to move monies from PA4 to PA1.**

9. Any Other Business

9.1. **Chris Head** tabled a note in his role as non-exec Chair of the Building Better Opportunities (BBO) Strategic Partners Group. This request will bring the West of England's BBO programme into line with all the other programmes in England.

9.2. The West of England ESI Funds Sub-committee wish to express their support for the following proposed changes to the eligibility criteria for unemployed individuals joining the West of England Works BBO project:

- allowing individuals who have had short periods of employment which they have been unable to sustain to be classed as long term unemployed, even where they have not been claiming work related benefit uninterrupted for 12 months;
- allowing individuals who have 12 months of worklessness to join the project where the initial period consists of economic inactivity and the latter of unemployment, for example where someone is moving from ESA to JSA.

9.3. These changes will enable the project to work with those individuals who have a clear need for its support but would otherwise need to wait for a period of up to 12 months before being able to access the project.

9.4. Members understood that allowing these changes would not alter the core focus of the project which would remain as those furthest from the workplace with multiple and complex barriers to employment. It would however enable the project to support eligible participants with earlier interventions.

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9.5. The ERDF MA stated that with regards to the UK Shared Prosperity Fund (UKSPF), consultation events are happening and asked members to engage with the process and encourage others to do so.

9.6. The UKSPF is still being developed with a view to it starting in early 2021.

9.7. 1 PA3 SUD project is being invited to submit a full application and there is a £1m PA4 SUD Call to be published.

10. Date, time and venue of future meetings

10.1. To be confirmed.

- **Action 9 – ERDF MA to identify a suitable date for the next meeting.**

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Annex A

List of Agreed Actions from 13 March 2019 West of England Sub-committee Meeting

Agenda Item	Action	Action Assigned to
1	Action 1 – Antony Corfield to contact the Chair of the West of England LEP for potential new representatives and to liaise with the ERDF MA.	Antony Corfield
1	Action 2 – The ERDF MA to review the membership refresh and issue code of conducts and register of interest forms.	ERDF MA
5	Action 3 – The ERDF MA to send out copies of the workbooks detailing the projects at the various stages.	ERDF MA
5	Action 4 – The ESF MA to send out details of the ESF projects at the various stages.	ESF MA
5	Action 5 – Phil Smith to liaise with the ERDF MA to invite projects to the next meeting.	Phil Smith / ERDF MA
8	Action 6 – The ERDF MA to work with Antony Corfield to issue a PA4 Call.	ERDF MA / Antony Corfield
8	Action 7 – The ERDF MA to arrange a teleconference with the committee members when the Call closes in order to give an idea of the applications received.	ERDF MA
8	Action 8 - The ERDF MA consider request to move monies from PA4 to PA1.	ERDF MA
10	Action 9 – ERDF MA to identify a suitable date for the next meeting.	ERDF MA

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Annex B Attendee List

West of England ESI Funds Sub-committee 13 March 2019 meeting

Chair & Deputy Chair:

Name, title and organisation	Sector/Organisation Representing
Phil Smith, Managing Director, Business West	Chair – Business Group
Louise Reekie, Team Leader, Ministry of Housing, Communities and Local Government	Deputy Chair - ERDF MA

Sub-committee Members:

Name, title and organisation	Sector/Organisation Representing
Antony Corfield, West of England Combined Authority	Local Enterprise Partnership
Chris Head, Executive Director, West of England Rural Network	Rural Interests
Hilary Neal, West of England Civil Society Partnership	Voluntary and Community
Paul Appleby, Director, VID Communications and Bristol Media CIC	Business Rep
Robin McDowell, Bristol City Council	Bristol SUD Rep
Simon Gregory, North Somerset Council	Local Authority

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

Name, title and organisation	Sector/Organisation Representing
Claire Maguire, Operations Manager, Department for Work and Pensions	ESF MA
Peter Holden, Relationship Manager, Ministry of Housing, Communities and Local Government	ERDF MA
Siân Lewis, Ministry of Housing, Communities and Local Government	ERDF MA
Helen Webb, Secretariat, Ministry of Housing, Communities and Local Government	ERDF MA

Apologies:

Name, title and organisation	Sector/Organisation Representing
Alex Crook, Area Lead, Department for Business, Energy & Industrial Strategy	BEIS Local
Angela Quinn, Manager, Rural Payments Agency	EAFRD MA
Antony Merritt, Strategic Economic Development Manager, South Gloucestershire Council	Local Authority
Diane Bunyan, Member British Women's Commission	Equality and Diversity
Duncan Kerr, Bath and North East Somerset Council	Local Authority
Jo Watson, Weston College	Further Education
John Wilkinson, Division Director – Community Regeneration, Bath and North East Somerset Council	Local Authority
Stephen Parsons, Board Member, UKCF. Chair LEP Social Enterprise Sector Group	Business Rep