



Sheffield City Region ESI Funds Sub-Committee

Minutes of the Meeting held 02 December 2020

Via Microsoft Teams

Agenda:

- 1. Welcome and Introduction – Apologies and Declarations of Interest**
- 2. Minutes of 15 July 2020 meeting and progress of actions**
- 3. ERDF Programme Update**
- 4. ESF Programme Update**
- 5. EAFRD Programme Update**
- 6. Policy Update**
- 8. Future Agenda Items**
- 7. Items for Information**

1. Welcome and Introduction.

1.1 The **Chair** welcomed sub-committee members to the meeting and noted apologies. (Annex B refers).

1.2 No declarations of interest were noted.

2. Minutes of Meeting held on 15 July 2020 and Progress of Actions.

The minutes of the meeting held on the 15 July 2020 were reviewed and agreed as a true record of the meeting.

Actions from the previous meetings were reviewed by the **Chair** and an update on each action was provided by the Secretariat or relevant sub-committee member. (Annex A refers).

3. ERDF Programme Implementation.

Peggy Haywood (MHCLG) provided an update in respect of progress of the ERDF Programme.

The sub-committee noted:

National Performance Update

- The ERDF sterling value of the programme is £3,233m.
- £2,494m ERDF is legally contracted which represents 77% of the programme value.

- A further 403 applications which represent 22% of total programme value are currently being assessed. This excludes applications held in reserve.
- Contracted and pipeline projects represents 97% of the programme budget.
- The N+3 target for 2020 has been met.

Programme Modification

- A programme modification has been approved by the EC to reflect new flexibilities made available in response to Covid19.
- A new priority axis, PA10 has been added to the programme to support implementation of local economic Covid19 recovery action plans.
- As a result, the c£50m Reopening High Streets Fund was launched in 2020.
- Funding is distributed to circa 300 local authorities across England that have responsibility for managing high streets.
- Funding will be paid to local authorities to deliver activities between June 2020 and March 2021.
- A further £40m fund has been made available to support growth hubs and the visitor economy.

Reserve Fund

- There have been no new calls published for the ERDF Programme since the last meeting.
- In respect of future calls and remaining ERDF funding, MHCLG continues to review the nature of demand for further support in response to the evolving COVID-19 situation and in the more medium-term, as businesses continue to adapt to economic circumstances into 2021 and beyond.
- Taking account of the range of ERDF-funded and other public and private provision, the managing authority intends to consider opportunities for targeted support for SMEs, and other investment, as part of the final allocation of ERDF in early 2021.
- Further details will be provided once confirmed.

Sheffield City Region Programme Update

- The Sheffield City Region total notional allocation is £113.8m.
- SCR has also received an additional £1.1m in support of the growth hub and the visitor economy in response to economic challenges due to Covid19.

Sheffield City Region has an overall **ERDF project pipeline of c£103.9m** , c£10.6m more developed and c£93.3m transition categories of region comprising:

- **£3.4m at outline application stage** transition category of region.
- **£8.6m at full application stage** of which £1.7m more developed and £6.9m transition categories of region.
- **£91.9m legal commitment** of which £8.9m more developed and £83m transition categories of region, including £15m Northern Powerhouse Investment Fund (NPIF) (£3m more developed and £12m transition categories of region).

Total pipeline commitments represent 91% of the total notional Sheffield City Region ERDF allocation, c77% of the more developed allocation and c93% of the transition allocation.

The Ferrymoor Way Business Park from Dynamic & Capital Investments has been withdrawn from the PA3 pipeline by the applicant. The applicant cited land ownership reasons for its withdrawal from the programme:

The sub-committee noted :

- c£10m unallocated ERDF now forms part of the national fund of c£100m.

4. ESF Programme Update

Claire Maguire (DWP) provided an update in respect of progress of the ESF Programme.

The sub-committee noted:

- The uncommitted SCR ESF notional allocation now forms part of the national reserve fund but can still be used to fund future calls in Sheffield City Region.
- There are currently no live calls, however five calls are in development with values to be agreed with the LEP.
- The calls will take into account the need for skills and training which is and will continue to be of increasing importance in dealing with the economic and social shock as a result of the Covid19 crisis including:
 - Digital Inclusion – Bridging the gap.
 - Young People not in Education, Employment or Training (NEET).
 - The harder to reach groups.
 - The existing workforce.
- Grant recipients are also eligible to apply for funds to support continuation of live projects.
- DWP have made improvements to its appraisal process and escalated timescales for applications reaching sub-committees for advice.
- The MA acknowledged the difficulties in delivery in the more developed category of region, however flexibilities have been introduced to vire funds between categories of regions.

The sub-committee advised:

- Flexibilities in the deployment of the reserve fund have been introduced in response to the Covid19 crisis.
- The availability of match funding remains an issue.
- Additional provision is required for low skilled workers.

5. EAFRD Programme Update

In the absence of a representative from the Rural Payments Agency, the sub-committee noted the report provided by the managing authority.

The sub-committee advised:

- Concerns at the high levels of attrition from expressions of interest to award of grant.
- The Chair advised that the issues will be raised at the next Growth Programme Board meeting.

6. Policy Update

Justin Homer (CLGU) and **Iain Derrick** (MHCLG) provided a policy update following the 2020 Spending Review.

Justin Homer (CLGU)

- The two departments of CLGU and the Growth Delivery Team have merged as one unit.

Levelling Up Fund

- The Levelling Up Fund (LUF) will supersede existing local growth funding streams, such as the Local Growth Fund.
- The £4bn fund was announced in the Spending Review to cover the remaining time of the existing Parliament, of which £600m is available in 2021-22.
- A prospectus is to be published in 2021. The fund will be open to all places within England and will be allocated on a competitive basis.
- £300m of the fund is ringfenced to support a further competitive round of Town Deals.

UK Shared Prosperity Fund (UKSPF)

- £220m was announced in the spending review to be spent in 2021/22 to pilot programmes and new approaches prior to the introduction of the UKSPF.
- HMG will set out further details of the UK Shared Prosperity Fund in a UK-wide investment framework due to be published 2021.
- The quantum of funding will be phased in as EU receipts decline and is expected to equal the quantum of EU funds.

Getting Building Fund

- The £900m fund aims to accelerate development of 'shovel ready' capital infrastructure projects that can stimulate economic growth and deliver impact within two years.
- Sheffield City Region has been awarded £36m to deliver fourteen priority projects.

Towns Fund

- £3.6bn programme to support underinvested/left behind places in support of the levelling up agenda providing up to £25m investment across 101 towns in England.

Future High Streets Fund

- Competitive fund with a requirement to achieve minimum benefit cost ratio.
- The outcome of the assessment of applications is expected in the near future.

Growth Hubs

- Core funding in respect of growth hubs across England is to be maintained in 2021.
- An additional £6.4m has been made available to Growth Hubs to support EU transition for businesses.

Sheffield City Region Devolution Deal

- The first £30m gainshare has been awarded, Sheffield City Region is in discussion with HMT regarding the potential to borrow against the fund.

Green Book Review

- The methodologies have been updated to support the levelling up agenda.

Iain Derrick (MHCLG)

- ESIF will continue to operate as business as usual up to end 2023.
- The 2020 spending review confirmed UK governments thematic policy on a place based approach in respect of the following policy areas:
 - Green.
 - Infrastructure.
 - Levelling Up.
 - Strengthening the Union.
- The spending review 2020 also confirmed additional funding of £220m (covering England /Scotland /Wales /Northern Ireland and Gibraltar) to be spent in 2021-22 intending to support communities to transition to full UKSPF from 2022.
- The quantum and further detail on UKSPF will follow publication of UKSPF Investment Framework in mid-2021 and the spending review 2021.
- Further detail on delivery and planning in respect of the £220m will be issued early 2021.
- In parallel other policy activity that will impact on local growth in England include the government plans for consultation in 2021 in respect of:
 - UK's future approach to Subsidy Control.
 - England Devolution White Paper.

The sub-committee noted:

- No final decision has yet been made in respect of the methodology of the distribution of the £220m.
- A streamlined approach to the distribution of funds at a local level would be welcomed in view of the one year spending window.
- A collective approach across government departments in the architecture and delivery of local growth would be welcomed.

7. Future Agenda Items

- UKPSF.
- Presentation on progress to date from Northern Powerhouse Investment Fund.

11. Items for Information

Date, time and venue of future meetings: To be confirmed for the first quarter of 2021.

Annex A

List of Agreed Actions from 2 December 2020 Sheffield City Region Sub-committee meeting

List of Outstanding Actions from previous Sheffield City Region Sub-Committee Meeting			
Action point	Action	Action Assigned to	Status
	RPA to provide the SCR ESIF sub-committee with MI regarding the number of expressions of interest that have progressed to full application and contracting stage.	RPA	Open
	DWP to provide details of the nature of activities funded through ESF Co-financing arrangements in Sheffield City Region	DWP	Open
	MHCLG to work with DWP and RPA in coordinating a schedule of presentations from ESI funded projects to future sub-committee meetings in order to provide updates on progress to members, subject to business needs.	MHCLG and MAs	On-going

Annex B Attendee List

Sheffield City Region ESI Funds Sub-committee 2 December 2020 meeting

Chair & Deputy Chair:

Name, title and organisation	Sector/Organisation Representing
James Newman OBE , Chairman	Business Partners / Private Sector
Peggy Haywood , Programme Manager, MHCLG	ERDF Managing Authority, MHCLG

Sub-committee Members:

Name, title and organisation	Sector/Organisation Representing
Yasmin Knight on behalf of Sarah Want , University of Sheffield	Universities
Christian Foster , Doncaster MBC	Local Authority
Dr Jan Eldred , Senior Research Fellow Learning +Work Institute	Education & Voluntary Sector
Andrew Denniff , CEO Barnsley & Rotherham Chamber of Commerce	Private Sector
Yiannis Koursis , Principal Chief Executive, Barnsley College	Education
Teresa Hitchcock , Partner, DLA Piper UK LLP	Environmental & Low Carbon interests
Claire Maguire , Operations Manager, DWP	ESF Managing Authority
Simeon Leach on behalf of Simon Moss , Assistant Director for Planning Regeneration & Transport at Rotherham Metropolitan Borough Council	Local Authority
Ben Morley , Head of Strategic Development and External Programmes, Creative Sheffield	Local Authority
Justin Homer , Assistant Director, Cities and Local Growth, BEIS	BEIS
Paul Clifford , Head of Economic Development, Barnsley Council	Local Authority

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

Name, title and organisation	Sector/Organisation Representing
Michelle Unwin , ERDF, Secretariat, MHCLG	ERDF, Managing Authority, MHCLG
Helen George , Assistant Director Education, Skills and Employability	LEP
Iain Derrick , Manager ERDF Policy and Partnerships	ERDF, Managing Authority, MHCLG

Apologies:

Name, title and organisation	Sector/Organisation Representing
Simon Moss Planning, Regeneration and Transport, Rotherham Metropolitan Borough Council	Local Authority
Sally Harrison , Area manager, Operational Delivery, RPA	EAFRD, Managing Authority, RPA
Sarah Want , University of Sheffield	Universities