



European Union

European Structural
and Investment Funds

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

Growth Programme for England

York, North Yorkshire and East Riding ESI Funds Sub-Committee

Minutes of the meeting held 12 July 2019

Agenda:

- 1. Welcome, Apologies and Declarations of Interest**
- 2. ERDF Project Presentation**
- 3. Minutes of 5 April 2019**
- 4. MHCLG Managing Authority and ERDF Programme Update**
- 5. ESF Managing Authority and ESF Programme Update**
- 6. RPA Managing Authority and EAFRD Programme Update**
- 7. Local Partner Update**
- 8. ESF Full Applications**
- 9. ESF Calls – Bespoke Skills/The Apprenticeship Hub**
- 10. Future Agenda Items**
- 11. Items for Information**
- 12. Any Other Business**
 - 12.1. ESF Call: The Apprenticeship Hub
 - 12.2. PCR: National Lottery Charities Board

1. Welcome, Apologies & Declarations of Interest

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

1.2. Declarations of interest were made by:

- **The Chair** declared an interest in YNYER LEP Board, University of York and Yorkshire Regional Flood & Coastal Committee.
- **Sam Alexander** declared membership of Leeds City Region LEP Board and National Lottery Community Fund.
- **Mark Gunthorpe's** organisation (University of York) is a delivery partner with Calderdale College (Item 8)

2. Presentation by Spark Fund – University of Hull

Pauline Mitchell from Spark Fund spoke to the sub-committee about this project and circulated a paper indicating current performance.

Although there were differences in performance between the various strands, there was the risk that, in some, the project is likely to run out of funds to provide grants to beneficiary organisations before the end of its ERDF funding term.

The sub-committee noted the delivery profiles of the three separate contracts that constituted the Spark Fund (Grants for R&D, Innovation Vouchers and Low Carbon Grants for R&D):

- Spark Fund – PA 1 Innovation Vouchers and grants for R&D projects had recently benefited from a contract variation which realigned contracted and delivery profiles and extended the project timescales. A contract variation request (extension in delivery time) is also currently being considered for the PA 4 low carbon grants for R&D strand of the Spark Fund.
- Performance delivery in the PA 1 (Innovation Vouchers and Grants for R&D) appeared to be progressing well with good demand and a strong pipeline.
- Delivery from the PA 4 (low carbon contract) was underperforming and remedial action was required. Pauline was meeting with MHCLG to discuss options for improving the performance of this strand.

The Chair thanked Pauline for attending and requested that she return to provide a further update in six months so that the sub-committee could re-assess performance (especially in PA 4) and whether challenges to ensure the impact of the investment to beneficiaries were being satisfactorily addressed. **Pauline Mitchell** then left the meeting.

It was noted that future presentations would benefit from clear supporting material, whether PowerPoint presentations or papers in an accessible format that were circulated in advance.

Action: Spark Fund to be invited to a meeting before March 2020.

Action: Future project presentations should use appropriate supporting material, i.e. PowerPoint wherever possible, and be circulated in advance of the meeting.

3. Minutes of 5 April 2019 Meeting and progress of actions

3.1. The minutes were agreed as a true record.

3.2. Actions from the previous meeting were reviewed, an update on actions was provided by the Secretariat or relevant sub-committee member at the relevant point in the agenda (see Annex A).

4. MHCLG managing authority and ERDF programme update

Andrew Osivwemu (MHCLG) provided an update on the progress of the ERDF programme at national level.

4.1. National programme position:

Performance from 2019 onwards will now be monitored against the performance framework 2023 targets and based on total eligible expenditure, ERDF (plus match funding).

Headlines from the ERDF progress report highlighting performance as at the end of March 2019, as presented to the National Growth Programme Board meeting in June 2019, were highlighted:

- The total programme value is €6,572million. The programme value at the exchange rate of €1 = £0.9033 is £5,936million.
- c £3,796million ERDF and match is legally contracted, representing c 64% of total programme value.
- A further 473 applications, representing c 34% of total programme value, are currently being assessed including two financial instruments.
- Contracted and pipeline projects represent 96% of the programme budget, 138% less developed, 98% transition and 89% more developed categories of regions.
- The N+3 target for 2019 is €950million (£859million @ 0.9033 exchange rate).
- Expenditure incurred to date stands at £802million which represents 93% of the 2019 N+3 target.
- The latest round of calls was published in June 2019 and will close on 30 September 2019. This equates to ERDF value of c £600million.

2018 Performance framework targets

To meet the national performance framework, milestones must be achieved at 85% that result in the release of the 6% performance reserve.

If the performance framework milestones are not achieved, the 6% performance reserve is not released to the relevant priority axis by category of region and can be transferred to a priority axis within the same category of region that has met its 2018 performance framework milestones.

National performance framework targets have not been met in priority axis 4 transition category of region and priority axes 5, 6 and 8 in all categories of region.

Reserve fund

The paper (circulated at the meeting), presented to the Growth Programme Board June 2019, sets out the managing authority's current thinking:

- The fund is expected to be in place Autumn 2019 with first call for proposals early 2020.
- MHCLG and DWP will seek to align funds, respecting different programme approaches.
- The funds will be subject to the objectives, targets and spending plans as set out in the operational programmes, and by category of region, with the possible exception of the less-developed region which is still under consideration.
- The value of the fund will be established following the closure of the June calls based on the remaining allocation adjusted in light of average attrition rates.
- Calls will be developed by MHCLG with advice from the Growth Programme Board and the Performance Dispute Resolution Committee.
- Calls will be shaped by the size of the fund - either small targeted funds of critical mass and impact, or a larger fund with a number of priorities, depending on the quantum of the fund.
- Applications that support new approaches to existing investments will be encouraged, e.g. pan-LEP and/or pan-regional structures, e.g. Northern Powerhouse, Midlands Engine etc along with interventions that align with the industrial strategy, grand challenges and local growth initiatives.
- MHCLG will undertake a national moderation exercise to ensure consistency in the assessment of applications. These will then be presented to local ESIF sub-committees, the Growth Programme Board and Performance Dispute Resolution Committee prior to finalising decisions.

The sub-committee was advised that there would be an expectation to provide advice on national call applications from the reserve fund in accordance with the terms of reference for the ESI Funds sub-committees.

The sub-committee suggested that, if there are good applications that cannot be funded via the current calls, then it would be sensible to consider these prior to opening any national reserve call.

4.2. LEP area status report

Commitment Summary

- i. The total value of pipeline and legal commitments remains largely unchanged since the last report, standing at (81%) of the total LEP area financial allocation. Variation in outstanding allocation balance is due to de-commitment of ERDF funds from the Digital Advantage and SIAFS projects.
- ii. Value of contracted applications has increased from £25.96million to £30.32million following the execution of contracts for Humber and YNYER grants and voucher projects. The Manufacturing Growth Programme II and PAPI 2 funding agreements have also now been executed.
- iii. Notional balance has increased slightly at £9.24million, with most remaining funds being in the more developed area (£8.3million).

Pipeline

- i. Existing pipeline projects are progressing positively through the approval stages:
 - The Northern Powerhouse Export Grant Scheme project has submitted its full application and the appraisal has begun and is anticipated to be concluded shortly.
 - The appraisal of the Sustainable Supply Chain full application is currently underway and is expected to be concluded by the end of July.
- ii. The managing authority has concluded the assessment of Outline Applications received in response to the October 2018 calls and has invited the projects listed below to submit full applications:

Project Name	Applicant	ERDF value (YNYER T)	ERDF Value (YNYER MD)	Status
Priority Axis 1: Promoting Research and Innovation (Call OC50R18P 0827)				

Bioeconomy Growth Programme	Biorenewables Development Centre	£141,297	£373,023	Progressing to Full Application
Priority Axis 3: Enhancing the Competitiveness of SMEs (Call OC50R18P 0828)				
Goole Business Centre and Innovation Hub	East Riding of Yorkshire Council	£600,000	-	Invited to submit Full Application
Priority Axis 4: Low Carbon (Call OC50R18P0830)				
CEREs	West Yorkshire Combined Authority	-	£824,522	Invited to submit Full Application
Beverley Energy Network	East Riding of Yorkshire Council	£2,571,027	-	Invited to submit Full Application
Housing and Public Building Carbon Reduction Programme	East Riding of Yorkshire Council	£479.201	-	Invited to submit Full Application
Priority Axis 6: Preserving and Protecting the Environment and Promoting Resource Efficiency (OC50R18P 0833)				
Grovehill and Environs Environmental Improvements and Masterplan	East Riding of Yorkshire Council	£236,700	-	Invited to submit Full Application

Delivery

- 22 projects are currently contracted and delivering in the YNYER LEP area.
- Progress of expenditure at priority axis level towards the 2018 Performance Framework targets is provided in table 3.
- Common themes impacting on delivery across priority axes remain as follows:
 - SME grant schemes: there is a lag on expenditure due to marketing, assessment and the requirement for SME defrayal of grants in advance of costs being claimed.

- Delayed project starts due to underestimating of procurement, recruitment and resolution of pre-contract conditions.
- Reliance on large projects or single projects to deliver priority axis targets.

Local progress towards performance framework targets:

Outcome of review of performance against York, North Yorkshire and East Riding 2018 performance framework targets

The 2018 performance framework targets in YNYER LEP area were met in:

- Priority Axes 1 (Innovation) in the transition and more developed area.
- Priority Axis 2 (ICT) in more developed area.
- Priority Axis 3 (SME Competitiveness) in more developed and transition area.
- Priority Axis 4 (Low Carbon) - more developed area only.

The 2018 performance framework targets in YNYER LEP area were not met in:

- Priority Axis 4 (Low Carbon) - transition area.
- Priority Axis 5 (Climate Change Mitigation) - more developed and Transition categories of region
- Priority Axis 6 (Environment) - more developed and transition categories of region.
- Priority Axis 8 (CLLD) - more developed and transition categories of region.

Outcome of review of performance against national 2018 performance framework targets

To meet the national performance framework, milestones must be achieved at 85%, which results in the release of the 6% performance reserve. Otherwise funds are reallocated to other Priority Axes, where milestones were achieved.

As a result, advice was sought from the sub-committee and the following adjustments made:

- A reallocation of £911,824 ERDF funds from underperforming priority axes (PA 4, PA 5, PA 6, and PA 8) to PA 1 and PA 3. This represents a reallocation of £396,257 ERDF more developed funds, split equally between PA 1 and PA 3; and the reallocation of £515,567 transition funds to priority axis 3 in its entirety.
- The affected PA 1 and PA 3 notional allocations budgets and corresponding outputs have been updated to reflect the agreed reallocation of resources.

Outputs:

Table 4 provides a priority axis level overview of output progress.

- Priority axis 1 has sufficient contracted/pipeline projects outputs to achieve the 2023 performance framework target in full and the more developed and transition targets have both been achieved.
- Priority axis 3 in both categories of region has sufficient contracted/pipeline project outputs to achieve the performance framework target and this target has been achieved.
- Priority axes 4, 5 and 6 currently have insufficient contracted/pipeline projects to achieve the 2023 target.
- Priority axis 8 has sufficient contracted projects to achieve the 2023 PF target.

Mitigation of key risks**Performance Framework targets:**

- The managing authority is working with projects to ensure expenditure towards the target is optimised across all priority axes.
- Delivery of projects to contract, and timely submission and progression of claims remains key to an optimal outcome.

N+3 targets:

- The ERDF programme N+3 2018 expenditure target of c £530million was achieved.
- Efforts within the local teams are now turning to the N+3 targets for 2019; delivery will remain in keen focus.

Calls for proposals

The managing authority worked with local partners and sought advice from the sub-committee to assess local priorities for the remaining notional financial allocations for the June 2019 call window.

The following calls were agreed and have now been published:

- Priority Axis 1 – YNYER-only Call (transition area)
- Priority Axis 1 – YNYER / LCR Joint Call (more developed area)
- Priority Axis 3 – YNYER / Humber Joint Call (transition area)
- Priority Axis 3 – YNYER / LCR Joint Call (more developed area)
- Priority Axis 4 – YNYER/LCR Joint Call (more developed area)
- Priority Axis 5 – YNYER / Humber Joint Call (transition area)
- Priority Axis 5– YNYER only Call (more developed area)

- Priority Axis 6 – YNYER only (more developed area)

The **Chair** requested that the project report (table 5) be circulated in advance of the meeting.

Action: Project reports (table 5) to be circulated with the papers.

The **Chair** thanked **Andrew Osivwemu** for the updates.

5. ESF managing authority and ESF programme update

5.1 Maureen Stafford (DWP) presented the ESF programme update:

Calls and applications update

Open Calls

There is one live call on GOV.UK:

IP	Call Name	Call	ESF requested	Closing date
2.1 & 2.2	Thriving at Work	OC39S19P1448	£900,000	12 th September 2019

Following ESIF advice from the meeting in April, the calls below are scheduled to be launched in July, September and October 2019:

IP	Call Title	ESF requested	Proposed Call Launch date
2.2	Industry Placements for T Levels	£500,000	w/c 22 July
2.1 & 2.2	Digital Skills	£900,000	w/c 2 September
2.1 & 2.2	The Apprenticeship Hub	£1,000,000	w/c 21 October
	Bespoke Skills	£700,000	

One application was received for the Agri Tech Skills joint Call with Humber LEP area which closed on the 21 May 2019:

IP	Call Reference	Applicant	Project	ESF Requested	LEP Area
2.1 & 2.2	OC50S19P1310	North Yorkshire County Council	Farm Growth Action Plan	£250,000 £100,000 In IP 2.2 only	YNYER Humber

Application status

There are 3 full applications currently in appraisal – two to be discussed at this meeting:

IP	Call Reference	Applicant	Project Name	ESF requested	Status
2.1 2.2	OC39S17P0901	Calderdale College	Business Scale up Development Programme	£1,500,000	In appraisal To be discussed
2.1 2.2	OC39S17P0900	Calderdale College	Specialist Skills Support Programme	£2,150,000	In appraisal To be discussed
2.1 & 2.2	OC39S18P1169	Aspire-IGEN Group Ltd	Aspire2Lead	£1,393,990	In appraisal

The application below has now withdrawn:

IP	Call Reference	Applicant	Project Name	ESF requested	Status
2.2	OC39S17P0900	The University of York	Strand 4 Apprenticeship Capacity	£ 590,957	Application withdrawn

The sub-committee expressed its disappointment that the delay in processing this application has led delivery partners to withdraw from the scheme.

ESF Opt-in / Co-Financing Organisations (CFOs)

CFO committed spend in the York North Yorkshire & East Riding LEP Area is currently £21,811,975

- BLF – £4million
- DWP- £2.2million
- ESFA - £15.5million

Progress update

Please note the figures quoted in the embedded MI document are for both ESF and Match – Total project values. The figures quoted in the table below however are for ESF values only.

York North Yorkshire & East Riding – More developed				
IP	Allocation (€)	Allocation (£)	ESF Committed Spend	Pipeline
1.1	€ 4,423,784	£ 3,848,692	£3,064,666	
1.2	€ 1,125,268	£ 978,983	£1,271,250	
1.4	€ 5,392,018	£ 4,691,056	£5,067,500	£1,692,743 – BLF PCR
1.5	€ 4,007,432	£ 3,486,466	£2,945,048	
PA1 Total	€14,948,502	£13,005,197	£12,348,464	£1,692,743
2.1	€ 14,332,714	£12,469,461	£7,512,600	Applications in appraisal £1,604,002

2.2	€ 3,814,828	£3,318,900	0	Applications in appraisal £2,469,955
PA2 Total	€18,147,542	£15,788,361	£7,512,600	£4,073,957
Total	€ 33,096,044	£28,793,558	£19,861,064	£5,766,700

York North Yorkshire & East Riding – Transition				
IP	Allocation (€)	Allocation (£)	ESF Committed Spend	Pipeline
1.1	€ 807,094	£ 702,172	£278,888	
1.2	€ 292,929	£ 254,848	£ 335,000	
1.4	€ 1,946,260	£1,693,246	£1,699,166	£573,869 BLF PCR
1.5	€ 1,401,814	£1,219,578	£1,248,055	
PA1 Total	€4,448,097	£3,869,444	£3,561,109	£573,869
2.1	€ 5,430,604	£4,724,625	£2,582,905	Applications in appraisal £539,373
2.2	€ 967,332	£ 841,579	0	Applications

				in appraisal £630,040
PA2 Total	€ 6,397,936	£5,566,204	£2,582,905	£1,169,413
Total	€ 10,846,033	£9,436,048	£6,144,014	£1,743,282

The revised allocation (following the review of the OP and the exchange rate uprating) is just over £28million in the more developed area of the York North Yorkshire & East Riding LEP area and just over £19.8million has officially been committed - 68.9%. This is increased to 89% with pipeline figures. In the Transition area just over £6million of the £9.4million allocation has officially been committed or 65%, which increases to 83.6% with pipeline figures.

Finances and Participants - Performance Framework

Please note that the Performance Framework milestone for 2018 has now passed. The next milestone will be at the end of the programme (2023)

Finances - N+ 3

N + 3 targets are based on ESF funding only and excludes match.

Please note that for N + 3, “committed” spend is based on ESF profiles up until Q2 2019. This time period will give the managing authority suitable time to check, approve and authorise the claim and claim money back from the commission.

National Update

Summary from the Growth Programme Board – June 2019:

Maureen Stafford provided the latest Programme update of the action the Managing Authority is taking to address future challenges.

Claims are now in a much stronger position and we expect to receive sufficient claims to enable us to achieve the 2019 N+3 target by early in Q3 2019.

The call timetable now extends to December 2019 and is being more rigorously managed to ensure that the remaining call slots are maximised. Calls are being

prioritised to address participant shortfalls and to increase the value and quality of applications.

Remaining LEP notional allocations will now, as previously announced, be absorbed into the Central Reserve Fund and LEP areas will be able to bid for funding for future calls under this new process.

As previously reported, ESF achievement of the Performance Framework targets presents a positive picture. It is expected that both the participant and financial aspects of the Performance Framework target will be sufficiently achieved in all Categories of Region.

Following the Commission's decision in January 2019 to 'interrupt' the payment deadline to DWP, we are continuing to work to address the Commission's concerns and recommendations. We are confident that we can demonstrate that our systems are compliant with the EU Regulations and the Audit Authority are currently undertaking testing on behalf of the Commission. The interruption does not impact on claims and payments made by the managing authority to ESF grant recipients.

All data is as at 30 April 2019 and uses the May exchange rate of €0.8634. In order to provide the Board with the latest available data, the Performance Framework data for 2023 has different period end dates for participant and financial elements.

The position at the last report (with ESF data to 31 January 2019), is shown in brackets for comparison purposes.

Programme Update:

Calls and Commitment Update:

ESF commitment as of 30 April 2019 was £1.96billion (£1.65billion), 64.5% (55.43%) of the total ESF allocation. Although commitment has continued to grow as funding agreements are signed, a significant part of the increase from the last report is as a result of the completion of the ESFA project change requests exercise.

In Priority Axis (PA) 1 and 2 there are 192 (180) direct-bid projects with commitments totalling £426.9million (£419.5million) and 153 (152) MoUs for the National Co-Financing Organisations (CFOs) valued at £1.5billion (£1.2billion).

There are 41 (39) ESF funding agreements for technical assistance with a value of £23million (£22.8million).

There are 17 outline applications undergoing assessment with a total value of £8.3million (PA 1 £5million, PA2 £3.3million) and 109 full applications in appraisal, which total £246.5million (PA 1 £111million, PA 2 £135million and PA3 £458,000).

After the managing authority LEP Lead consultation with their areas, reported previously, all the resultant LEP area commitment plans notified to the managing authority were incorporated into a timetable that now runs to the end of the 2019 calendar year. There are still a number of vacant slots; currently the timetable contains 88 calls, to the value of £276,606,114. This comprises 39 PA1 calls (£106.4million; 39%) and 49 PA2 calls (£170.2million; 61%).

The managing authority will publish a YEI call in June 2019 for the more developed region, as this is the category of region where the vast majority of YEI funding remains uncommitted. It is envisaged that the ESF and YEI amount available will be c £80million and the call will remain open for eight weeks. The call will be restricted to the following YEI MD eligible areas: Black Country; Coventry and Warwickshire; D2N2; Greater Birmingham & Solihull; Leicester & Leicestershire; Liverpool City Region and South East LEP areas.

In addition, there will be a smaller call for the transition category of region of approximately £1million, utilising the remaining funding in the transition area of Liverpool.

The ESF managing authority moved to an online call application process from 29 April. All new ESF open calls have been published on ECLAIMS replacing the current email-based application process. ESF open calls will also continue to be published on GOV.UK through the existing Funding Finder mechanism but will be 'online application' only calls.

There are currently 34 ESF live calls (as at 24 May 2019) on GOV.UK.

ESF Opt-in / Co-Financing Organisations (CFOs):

The progress report below highlights where CFOs are in terms of their claims and Project Change Requests:

The National Lottery Community Fund (previously Big Lottery Fund):

The Quarter 4 2018 claims were submitted on time and the managing authority are continuing to process the final tranche of claims. The preparation of Project Change Requests (PCRs) to support the extension of the Building Better Opportunities programme is ongoing and we are expecting to receive all the PCRs by the end of June. Once received, they will be assessed and submitted to ESIF Sub-Committees' for advice on whether proposals continue to meet the growth needs of the area. NLCF have

provided assurances that they are issuing MI to all LEP areas to support LEP Officers to update their local ESIF sub-committees.

Her Majesty's Probation and Prison Service (HMPPS):

All claims to date have been paid. Monthly performance monitoring meetings are taking place and their biannual Performance monitoring meeting took place in May with positive discussions on performance.

DWP:

The 2018 claims for Quarter 4 were submitted on time and have again commenced checks and started to issue payments. Monthly performance monitoring meetings are taking place and additionally their biannual performance monitoring meeting took place in May. As part of the performance discussions, the managing authority is actively looking at performance to date and where possible, challenging for de-commitment so these funds can be utilised elsewhere in the programme. DWP have also provided assurances that they are issuing MI to all LEP areas to support LEP Officers to update their local ESIF sub-committees.

ESFA:

ESFA Quarter 4 2018 claims were submitted on time and we are working through the process of undertaking checks and issuing payments. Monthly performance monitoring meetings are ongoing and biannual performance monitoring meeting has been re-scheduled for June. The ESFA have also provided assurances that they are issuing MI to all LEP areas to support LEP Officers to update their local ESIF sub-committees.

Reserve Fund Update

On 14 June the ESF managing authority submitted a paper for the ESI Funds Growth Programme Board (GPB) for consideration at their meeting on 18 June. During the meeting the Board approved all the recommended criteria and processes for establishing and managing the ESF Reserve Fund.

The managing authority will shortly be writing to local ESIF sub-committee chairs setting out the criteria and processes that will underpin the Reserve Fund and will also provide LEP areas with all supporting documents and guidance to help them develop and submit Call proposals. The managing authority LEP area Leads have been fully involved in the development of the Reserve Fund and will work with LEP areas to ensure they are supported in developing and submitting Call proposals for consideration for funding.

New Online Applications and Appraisal Process

The ESF managing authority is moving to an online applications and appraisal process, using ECLAIMS. This will replace current electronic, email-based application and appraisal processes, and supports the work undertaken to streamline the appraisal process following feedback from applicants, ESI Fund sub-committees and other partners. Following the design and development of new ECLAIMS functionality and supporting products, the new ESF Online Digital Service for Applications and Appraisals is now live, for all new ESF open calls published from Monday 29 April 2019. [Action Note 035/19 New ECLAIMS Online Digital Service for ESF](#)

ESF action notes: 2014 to 2020 programme

The managing authority continues to publish action notes to inform European Social Fund (ESF) grant recipients of an action they must complete on gov.uk:

<https://www.gov.uk/government/publications/esf-action-notes-2014-to-2020-programme>

Locally, ESF has a Call out which closes in September. Another Call is due out 23 July (but may go the week before).

An application was received from the Agri-Tech call which closed in May and should be ready to bring to the October meeting.

Sub-committee members noted that there would be an ESF Reserve Fund.

It was noted that an application from the University of York had been withdrawn due to the length of time the appraisal took, and match funding was lost. The sub-committee noted that many young people had missed out on learning opportunities, and urged logging 'lessons learned' from this experience.

Action: ESF managing authority to note the sub-committee's recommendation that they should log 'lessons learned' from the experience of the withdrawn application from the University of York.

6. Managing Authority and EAFRD Programme Update

Victoria Hamer expressed apologies to sub-committee members. A substantial peak in Growth Programme Rd 2 workload, combined with internal reorganisation had led to some difficulties in attending recent meetings.

6.2. EAFRD Management Information

Victoria Hamer presented an update on the current EAFRD programme and noted that the LEP area is in a good position, with approximately £1.5million over programming.

Projects approved since last meeting:

North York Moors Heritage Railway and the Canal Rivers Trust (these are two substantial projects that have been contracted).

Food and drink:

Sausage making plus alcoholic drinks have been popular areas for grant investment.

Nationally

A meeting was called in May. LEP performance nationally had been variable and this was discussed. At the time of the meeting, an underspend of £30million was noted, but now based on a 35% drop-out rate and withdrawals, national underspend is likely to be nearer £40million.

The intention is to have a national reserve fund to ensure the distribution of the residual funds. There is minimal risk to YNYER area losing funds, YNYER is performing well and therefore more likely to be able to bid for additional funds.

Papers were sent to all EAFRD GP contacts in LEP areas following the meeting, inviting further input on this and RPA will keep LEP areas updated on progress.

Janet Thornton added that the reserve fund is well planned, and that a monthly rolling approval process is planned to ensure fairer access to the national reserve.

The sub-committee noted that RPA small grants for farmers Call is currently live, so there may be some outcomes from that to update at the next meeting.

The Chair requested that the sub-committee's thanks be directed to those involved in securing the approval of the North York Moors Railway scheme; **Sally Harrison** at the Rural Payments Agency was instrumental in securing approval of this flagship project.

7. Local Partner Update

Due to shortage of time this presentation did not take place. Instead, the presentation is circulated with these minutes.

8. ESF full applications for consideration

PA.2 Skills for Growth – Mark Gunthorpe left the meeting for this discussion, as the University is a delivery partner with the applicant: Calderdale College. The Chair also did not take part in consideration of this item.

8.1. Investment Priority 2.1: Business Scale Up Development Programme – Calderdale College

Maureen Stafford introduced the application, which had been circulated with the papers, and highlighted significant points. Overall, the project meets the funding objectives, and is in line with the ESIF sub-committee priorities. **Maureen** noted that ESF appraisers recommend the application to be approved.

Sam Alexander noted that it was a big commitment from the college and partners to begin the project in April 2019 without guaranteed funds.

Jude Knight assured the sub-committee that the LEP is content to approve the application.

The sub-committee is content to support the application.

8.2. Investment Priority 2.2: Specialist Skills Support Programme – Calderdale College

Maureen Stafford introduced the application and highlighted significant points in the application. The start date is delayed to August 2019 to meet the timescale for the appraisal. University of York originally submitted an application for this and will now be delivering one of the strands in partnership with Calderdale College. **Maureen** noted that ESF appraisers recommend the application to be approved.

Jude Knight noted disappointment that there was no 2.1 activity in this project. **Jude** also noted that they are proposing to run workshops to support employment, and wonders how they will evidence the impact of the workshops. **Caroline O'Neill** questioned whether the unit costs were lower because the college is not meeting all expectations.

The sub-committee is content to support the application.

9. ESF Other Items

9.1. & 9.2. Calls – Investment Priority 2.1

9.1. Bespoke Skills

9.2. This is a way to make funds available to invite applications to deliver training which is not delivered elsewhere. This paper will go to the SEB on 18 July. The paper will return to the sub-committee by written procedures.

The sub-committee content to support the call.

Caroline O'Neill raised the issue of volunteers, and how work with volunteers can be funded?

9.3. The Apprenticeship Hub

This paper is a result of exploration on how to use apprenticeship levy with ESF funding. Technical issues to be pursued elsewhere include how to make this work. The sub-committee were asked to comment on the quality of the idea. Comments included that levies are now lost because training providers' budgets are much smaller than they were.

Caroline O'Neill commented on the importance of the brokering of the levy, it being key that people are involved who understand it.

The sub-committee content to support the call.

9.4. ESF Project Change Request: National Lottery Charities Board

Maureen Stafford presented the proposal for increase in funds of £1.692million in the more developed area.

There is a particular focus on people at distance from the labour market and increased focus on unemployed people due to Universal Credit. There are no changes to the aims and objectives. There is an increase in admin costs due to an underestimate. The time scale would increase by 3 years and 2 months, to March 2023.

Jude commented that the NLCB is now the only organisation working with unemployed. **Pip Betts** commented that monies in the investment priorities have been vired to cover areas such as these from underspend elsewhere.

The sub-committee is content to support this Project Change Request.

10. Future Agenda Items

- Outcomes of June calls (currently open).
- Presentation from Big Lottery Fund. **The Chair** requested that the presentation be clear and, preferably, circulated in advance.
- Outcome from written procedures for ESF applications.
- Strategic vision setting for the new combined LEPs – the two separate sub-committees are likely to continue to exist.

11. Items for information

Friday 25 October 2019, 1.30-4.00pm, Venue TBC. Sub-committee members were asked to note the change of date and to delete the previous date (18 October) from their diaries.

12. Any Other Business

Itemised ESF applications/calls were discussed under agenda item 5

The EAFRD Countryside Productivity Small grant scheme, round 2 has just been launched and is open until mid September. Funding details at the link [Countryside Productivity landing page](#)

Date, time and venue of next meeting:

Friday 25 October 2019, 1.30-4.00pm, Venue TBC.

Annex A - Agreed Actions

Action Point & Date raised	Action	Action Assigned to	Status/Closing Date
12/07/2019	If there are good ESIF applications which cannot be funded via the current calls, then it would be helpful to consider them before opening a national reserve call. Noted, to be escalated	AO	25 October 2019
12/07/2019	ESF managing authority to note the sub-committee's recommendation to log 'lessons learned' from the experience of the withdrawn application from the University of York.	ESF	25 October 2019
12/07/2019	Future project presentations should use visual aids such as PowerPoint wherever possible and be circulated in advance of the meeting	LEP	On going
12/07/2019	SparkFund to be invited to present before March 2020	LEP	March 2020
12/07/2019	Project presentations to be arranged for each sub-committee. Meetings to be extended by half an hour.	MHCLG	Starting 25 October 2019 meeting Ongoing

Annex B - Attendee List

York, North Yorkshire and East Riding ESI Funds sub-committee 05/04/2019 meeting

Chair & Deputy Chair:

Name, title and organisation	Sector/Organisation Representing
Colin Mellors , LEP Board Member York, North Yorkshire and East Riding Partnership	Chair
Andrew Osivwemu , Programme Manager Ministry of Housing Communities & Local Government	Deputy Chair (ERDF Managing Authority)

Sub-committee Members:

Name, title and organisation	Sector Representing
Victoria Hamer RPA EAFRD	RPA Managing Authority
Cllr. Steve Arnold Ryedale District Council	Local Authority
Claire Watts East Riding of Yorkshire Council	Local Authority / Technical Assistance
Caroline O'Neill North Yorkshire & York Forum	Voluntary and Community Sector
Janet Thornton Vice Chair, Yorkshire, Food, Farming and Rural Network (YFFRN)	Rural Interests
Sam Alexander Chief Executive, Your Consortium Ltd	Voluntary and community Sector
Mark Gunthorpe Head of Economic Development, University of York	Higher/Further Education
Maureen Stafford DWP ESF Operations Manager, Department for Work and Pensions	ESF Managing Authority
Matt Millington North Yorkshire County Council	Environment
Cllr Darryl Smalley City of York Council	Local Authority

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

Name, title and organisation	Sector Representing
Pip Betts Programme Funding Coordinator, York, North Yorkshire and East Riding Partnership	Local Enterprise Partnership
Andrew Leeming LEP Officer	Local Enterprise Partnership
Jude Knight LEP Officer	Local Enterprise Partnership
Pauline Mitchell SparkFund (presentation only)	University of Hull
Catherine Surtees ERDF Secretariat, Ministry of Housing Communities and Local Government	Secretariat & Minute Taker

Apologies:

Name, Title and Organisation	Sector Representing
Pauline Teale Rural Development Manager, Rural Payments Agency	EAFRD Managing Authority
Cllr. Chris Matthews East Riding Council	Local Authority
Cllr. Andrew Lee North Yorkshire County Council	Local Authority
Andrew MacHutcheon Senior Partner, The MacKenzie Partnership Limited	Private sector
Rita Lawson Chief Officer, Tees Valley Rural Community Council	Rural Interests
Matt Millington Local Nature Partnership Development Officer, East Riding of Yorkshire Council	Environment
Gill Alton Chief Executive, Grimsby Institute of Further and Higher Education	Higher/Further Education
Martin Hewitson Recruitment & Partnership Manager, Department for Work and Pensions – Job Centre Plus	Department for Work and Pensions
Peter Campey Assistant Director, Cities and Local Growth Unit, BEIS	BEIS