



European Union

European Structural
and Investment Funds

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

Growth Programme for England

Coast to Capital LEP Area ESIF Sub-Committee

Minutes of meeting held 22 March 2019

**Carpenter Room, Horsham Training Centre, Hurst Road, Horsham,
RH12 2DN**

Agenda:

1. Welcome and introduction
2. DRIVA project showcase
3. Minutes of 30 November 2018 meeting
4. Progress of Actions
5. European Regional Development Fund (ERDF) National Programme Update
6. General Update on ERDF Applications & Calls
7. Coast to Capital Local Enterprise Partnership (LEP) ERDF Update
8. ERDF Outline Applications
9. European Social Fund (ESF) Local Update
10. Coast to Capital LEP ESF Update
11. ESF Full Applications
12. European Agricultural Fund for Rural Development (EAFRD) Local Update
13. Any other business

1. Welcome and introduction

- 1.1. The **Chair** welcomed attendees and reminded them of the need to declare any interests. Apologies are recorded in Annex B.

2. DRIVA project showcase

- 2.1. Karen Cham of the University of Brighton gave a short presentation about the Digital Research and Innovation Accelerator (DRIVA) project and answered questions from the ESIF Sub Committee.

Action 1:

- **The Chair to write letter of thanks to Karen Cham.**

3. Minutes of 30 November 2018 meeting

- 3.1. The ESIF Sub Committee reviewed the draft minutes of the 30 November 2018 meeting. The draft minutes were agreed as an accurate record of the meeting.

4. Progress of Actions

- 4.1. All actions from the previous meeting are closed.

5. ERDF National Programme Update

- 5.1. **Graham Watt** presented the national update highlighting key points. He said that the Managing Authority was planning for every eventuality regarding Brexit and reiterated the Treasury Guarantee to projects. If an EU exit deal is agreed, there is expected to be a call in June and then a national reserve fund call in November. If no deal is agreed, projects will continue and a call will be launched in June 2019 but with some flexibility anticipated as the Operational Programme and local ESIF strategies will no longer apply. LEPs would be invited to set out local priorities to replace the ESIF strategy, based on the analysis for the Local Industrial Strategy.
- 5.2. **Graham Watt** gave an update how the N+3 target had been met nationally and how Priority Axes (PA) 1, 2 and 3 were ahead of the performance framework targets, PA 4 requires action.
- 5.3. **Graham Watt** then updated the ESIF Sub Committee on progress with the UK Shared Prosperity Fund. Currently the policy team is awaiting clearance from No. 10 to open the UK Shared Prosperity Fund consultation.

6. General Update on ERDF Applications and Calls

- 6.1. **Tina Collopy** presented the written update and summary tables and went through the narrative by priority axis.
- 6.2. **Tina Collopy** updated the ESIF Sub Committee on progress on ERDF projects and current applications. There has been a successful call for PA 1, with five applications and three competing bids.

7. Coast to Capital LEP ERDF Update

- 7.1. **Matthew Heath** presented the 'ERDF LEP Dashboard' paper. The ESIF Sub Committee raised the point of whether the forestry sector could contribute to low carbon objectives. **Matthew Heath** acknowledged that this could be considered as part of work relating to the Energy Strategy.

8. ERDF Outline Applications

- 8.1. **The Chair** introduced the discussion and reminded ESIF Sub Committee members of the need to declare any interests. No ESIF Sub Committee members declared a direct interest.
- 8.2. **Hannah Kirby** introduced the three projects which had all applied under Priority Axis 1: Promoting Research and Innovation, Investment Priority 1b – Promoting business investment in research and innovation and gave a summary of each application. Before discussing the individual proposals, the ESIF Sub Committee made the point that innovation centres are a priority in the Gatwick 360 Strategy as is innovation activity across the whole of the Coast to Capital area.

Plus X Innovation and Network Hub, Brighton

- 8.3. The applicant – Central Research Laboratory (Hayes) Ltd - is seeking £5,000,000 in ERDF grant to create an innovation hub within a building under construction in Brighton. The ESIF Sub Committee was of the view that the project has strategic fit and looks deliverable but raised questions around whether the project has sufficient additionality to existing provision.

Innovation Centre Crawley – Gatwick

- 8.4. The applicant – Crawley Borough Council - is seeking £5,500,000 in ERDF grant to create an innovation centre in Crawley town centre. The ESIF Sub Committee felt that value for money was less clear for this project as fewer outputs would be delivered in the course of the project. The ESIF Sub Committee raised the point that the connection to Higher Education in the proposal could be strengthened and could be added as a condition if the project proceeds to full application. The ESIF Sub Committee was of the view that the project has strategic fit.

The Innovation Centre

- 8.5. The applicant – West Sussex County Council - is seeking £5,419,770 in ERDF grant for the design and construction of an innovation centre in Horsham. The ESIF Sub Committee noted that the proposal showed good collaboration and provided an opportunity to spread activity around the LEP area away from the south coast but as the project is not planned to start until January 2020, the revenue aspect of the project does not fall within the ERDF period. This reduces value for money, affects the local strategic fit with PA1 and raises questions about deliverability. The ESIF Sub Committee sought clarification about planning permission for the proposed site. The applicant would apply for this in mid-2020. **Tina Collopy** confirmed that planning permission would need to be in place at the contracting stage.
- 8.6. **The Chair** summed up the discussion and the various issues arising from each bid that would need resolution in the light of the fact that there are sufficient resources currently only to fund one bid. **The Chair** noted that the ESIF Sub Committee was content for the ERDF Managing Authority to progress the bids in the most appropriate way taking into account the regulations, value for money and strategic fit.

9. European Social Fund (ESF) Local Update

- 9.1. **Joanna Wright** presented the written update highlighting key points. **Joanna Wright** gave apologies for the previous meeting as work on the N+3 target had taken priority.

The N+3 target had been achieved. She said that the ESF Managing Authority was working on all scenarios on what comes next and she reiterated the HM Treasury guarantee that underwrites all ESF contracts.

9.2. **Joanna Wright** said that all contracts must be signed and in place by end of 2020. Any funding released from the end of 2018 will be subject to a single stage application process. ESF is moving to an online application process with link to E-Claims. Potential applicants will need to be registered on E-Claims.

9.3. **Joanna Wright** said that a reserve fund was planned, using unspent funds to create a national fund. LEP areas will be able to apply for funding if there is a need under one of the Priority Axes. She noted that PA1 looked close to full allocation for the Coast to Capital area and PA2 funds remain available.

10. Coast to Capital LEP ESF Update

10.1. **Claire Witz** introduced the ESF Progress Report and ESF Data Dashboard and invited questions from the ESIF Sub Committee. There are currently nine applications in the assessment process. Claire Witz said a call with a value of £5.4m would go out in May 2019 under IP2.1 workforce and risk of redundancy.

11. ESF Full Applications

11.1. **The Chair** introduced the discussion and reminded ESIF Sub Committee members of the need to declare any interests. No ESIF Sub Committee members declared an interest. **Joanna Wright** clarified that a second project due to be considered by the ESIF Sub Committee had been withdrawn.

Digital Skills for SMEs

11.2. **Joanna Wright** introduced the project. The applicant – Clockwork City Ltd - is seeking £497,500 in ESF grant under Investment Priority 2.2 to provide and improve access for SMEs to training in digital business skills. The ESIF Sub Committee noted the number of conditions that still remained with the application and that the project had been about two years in development. The view of the ESIF Sub Committee was that the project had sound elements but that the applicant was finding it difficult to make the project a deliverable one that was compliant with ESF rules. The ESIF Sub Committee advised that the applicant should be given a firm deadline to meet the Managing Authority's concerns around compliance and deliverability.

12. EAFRD Local Update

12.1. The ESIF Sub Committee reviewed the written management information update provided by the EAFRD Managing Authority. **Simon Matthews** made some points on progress in the Coast to Capital LEP area. There is a £3.75m allocation and over £12m worth of applications. The ESIF Sub Committee expressed a desire for more detailed project level information from the EAFRD Managing Authority rather than summary

data, to give members a fuller picture of how the EAFRD Programme is being implemented locally.

Action 2:

- **Simon Matthews to draft a letter for the Chair to send to the EAFRD Managing Authority regarding the sub-committee's request for more detailed project level information in the RPA's reports.**

13. Any Other Business

The ESIF Sub Committee agreed that there would be sufficient business to have a meeting in July 2019 in addition to the September 2019 meeting proposed by Secretariat. Max Woodford offered a venue at Brighton Council for a July 2019 meeting.

Action 3:

- **Secretariat to arrange a July ESIF Sub Committee meeting. [Update: subsequently agreed Secretariat will look for date in June]**

Annex A

List of Agreed Actions from 22 March 2019 Coast to Capital LEP area Sub-Committee Meeting

Agenda Item	Action	Action Assigned to
1	<u>Action 1</u> : The Chair to write letter of thanks to Karen Cham.	Chair ESIF Sub Committee
4	<u>Action 2</u> : Simon Matthews to draft a letter for the Chair to send to the EAFRD MA regarding the sub-committee's request for more detailed project level information in the RPA's reports.	Simon Matthews
5	<u>Action 3</u> : Secretariat to arrange a July 2019 ESIF Sub Committee meeting.	Secretariat

Annex B

Attendee List

Coast to Capital LEP Area ESIF Sub-Committee 22 March 2019 meeting

Chair & Deputy Chair:

Name, title and organisation	Sector/Organisation Representing
Helyn Clack	Chair
Graham Watt	ERDF Managing Authority (MHCLG) Deputy Chair

Sub-Committee Members:

Name, title and organisation	Sector/Organisation Representing
Vincent O'Connell	Local Authority
Kirsten Trussell	Coast to Capital LEP
Tina Collopy	Managing Authority (MHCLG)
Joanna Wright	Managing Authority (DWP)
Max Woodford	Local Authority
Simon Matthews	RWSP Rural

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

Name, title and organisation	Sector/Organisation Representing
Tim Whelehan	Secretariat
Matthew Heath	Coast to Capital LEP
Claire Witz	Coast to Capital LEP
Neil Clarke	Local Authority
Hannah Kirby	Managing Authority (MHCLG)
Bilal Warsame	Managing Authority (MHCLG)
Millie Bew	Coast to Capital LEP

Apologies:

Name, title and organisation	Sector/Organisation Representing
Sarah McGinn	Managing Authority (DEFRA)
Trevor Beattie	National Park
Sarah Jane Chimbwandira	Environment and Rural
Rahima Begum	Local Authority
Paul Gresham	Gatwick Diamond

Brian Walter	SERTUC
Eduardo Hernandez	University of Sussex