



European Union

European Structural
and Investment Funds

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

Growth Programme for England

Greater Cambridge Greater Peterborough ESI Funds ESIF Sub Committee

Minutes of the meeting held Wednesday 27 March 2019

The Incubator 2, First Floor, Alconbury Weald Enterprise Campus, Alconbury Weald,
Huntingdon, PE28 4WX

Agenda:

1. Welcome and introduction
2. Minutes of 4 December 2018 and action update
3. European Regional Development Fund (ERDF) Programme Update
4. ERDF General Update on Applications and Calls
5. ERDF Projects
6. European Social Fund (ESF) Programme Update
7. ESF General Update on Applications and Calls
8. ESF Projects
9. Combined Authority Project Extensions and ESIF Strategy Update
10. European Agricultural Fund for Rural Development (EAFRD) Programme Update
11. Any Other Business

1. Welcome and introductions

- 1.1 The **Chair** thanked the ESIF Sub Committee for their attendance and apologies were noted as detailed in Appendix B.
- 1.2 The **Chair** reminded the ESIF Sub Committee to make declarations of interest, complete a Conflict of Interest form where necessary and provide comments on the local strategic fit and value for money of the applications presented to them during this meeting.
- 1.3 The **Chair** asked the ESIF Sub Committee to ensure all members were aware of and had signed and returned the Terms of Reference forms provided at the meeting.

2. Minutes of 4 December 2018 meeting and action update

- 2.1. Action Point 1 was confirmed as cleared.

- 2.2. Action Point 2 - EAFRD to update the ESIF Sub Committee on underspend and unallocated funds. David Sillett was unable to attend the ESIF Sub Committee and had provided a written response via e-mail. **“The Managing Authority (MA) are looking at options which, like the other ESI Funds – ERDF and ESF, includes creating a central ‘reserve fund’; I will keep you updated with developments”**
A fuller update had been requested but had not been received when the ESIF Sub Committee papers were circulated prior to the meeting.
- 2.3. The ESIF Sub Committee agreed that fuller updates were needed, including a narrative on the current programme status, noting that the spread sheet was difficult to interpret, particularly without a representative to explain. It was also noted that other ESIF Sub Committees had also requested more detailed updates from EAFRD.
- 2.4. **Andy Luff** noted the importance of understanding the current situation regarding unallocated funds and how this will be distributed within the Greater Cambridge and Peterborough LEP area. **Andy** also noted that the Hertfordshire ESIF Sub Committee had agreed to draft a formal letter, setting out concerns and requesting clarity for the future plans of the unallocated funds. It was agreed to replicate that request for this ESIF Sub Committee.

Action Point 1

- **Andy Luff to draft the letter to EAFRD MA requesting more detailed updates on allocations and clarifying what funds are allocated to which projects and the status of those projects.**
- 2.5. Action Points 3 & 4 were agreed as cleared.
- 2.6. **Andy Luff** provided an update for Action Point 5 which related to **confirmation of the length of employment needed for an ESF output to be achieved** within the Building Better Opportunities Programme. Andy wrote to Tim Burch, EU Policy & Stakeholder Manager who noted that although some projects stay in touch with their funded projects, this target was not specifically measured. A meeting is due to be scheduled with ESF providers, at which they will be invited to clarify how they stay in touch with those placed in employment.
- 2.7. Action Point 6 related to allocating additional Contract Management on the Peterborough Employability project which was underperforming. Big Lottery confirmed they are continuing to monitor their projects, particularly those that were underperforming. The TCHC Communities Connection North project has also been identified as being subject to additional contract management scrutiny. **Andy** confirmed that quarterly meetings were held with all live projects as a matter of course. Communities Connection North project participant numbers is currently at 179% against profile and Communities Connections South is 90%, New Horizons is 117% and Peterborough Employability 86%. **Andy** offered to circulate the performance figures to the ESIF Sub Committee members.

Action Point 2

- **Andy to circulate Big Lottery Fund project performance figures to ESIF Sub Committee.**

- 2.8. Action Points 7 & 8 - **Andy** confirmed that the Indicator Target figures can be found on pages 84-94 of the ESIF Strategy. The strategy is not published on the Combined Authority website but a link to the strategy can be found on the DWP call template. Joanna noted the link had not been included in the call paper circulated to members and would therefore send a copy to the Secretariat for circulation to the Sub Committee.

Action Point 3

- **Joanna Wright to send a copy of the link to the ESIF Strategy to the Secretariat to circulate to ESIF Sub Committee members.**

- 2.9. Action Point 9 – Andy confirmed a letter had been sent to Catherine Blair and that a reply was received on 18 December 2018 and had been circulated to the ESIF Sub Committee.

- 2.10. The draft minutes of the 4 December 2018 meeting were approved as accurate.

3. European Regional Development Fund (ERDF) National Programme Update

- 3.1. **Georgia Pritchard** introduced the National Programme overview paper and highlighted the key points from the written update.
- 3.2. The UK Shared Prosperity Fund consultation events scheduled for June 2019 are currently on hold, whilst agreement is sought across the country, and Brexit details are finalised. Further updates on the progress of the new fund will be provided when more information becomes available.
- 3.3. The May call has been moved to June 2019 to ensure the correct call templates are available. It is anticipated this will require a 5-7 page statement prepared by the LEP, clarifying priorities, to be included in the call. A further Autumn 2019 call will likely be used for the reserve fund. All remaining funds will be pooled and projects from all LEP areas will have the opportunity to apply for funding.
- 3.4. N+3 expenditure target was over achieved nationally which ensured that no funds were decommitted. The significant additional expenditure will have a positive impact on the N+3 target for this year which is cumulative, and it is anticipated that by mid summer we should know whether this year's target has been met early. Locally the South East progressed and paid the number of claims predicted, however many were for smaller value than the projects had forecast. This was partially due to project delays in collecting sufficient SME engagement evidence proving 12 hours of support. This process has improved in many projects and we are now seeing improvements in evidence collation.
- 3.5. **Georgia** noted that a case study booklet for 2018 for projects across the country had been published.

Action Point 4

- **Secretariat to send Case Study Booklet to ESIF Sub Committee.**

3.6. **Andy** noted that Priority Axis 4, Low Carbon Economy, was 100% committed for the area, this included pipeline projects, and that the LCIF2, which will be presented later in the meeting, is a significant contributor.

3.7. The ESIF Sub Committee agreed that the performance towards outputs was very positive and where possible this should be advertised.

4. General Update on ERDF Applications and Calls

4.1. **Vicki Bidwell** introduced the General ERDF Update on Applications and Calls paper and highlighted the key points on the progress of applications in each of the ERDF Priority Axes, and the remaining funds available. **Vicki** also noted since the papers had been circulated there had been further developments, and she would update the ESIF Sub Committee at this meeting.

4.2. The allocation for the area is £34.88 Million and pipeline and contracts committed total just under £26 Million, which represents 74% of the allocation. 11 projects are committed totalling £8 Million with a further £17.7 Million in the pipeline, including the Financial Instrument project, LCIF2. There is £9 Million of remaining funding available. **Vicki** provided an update on projects under each Priority Axis.

4.3. **David Gill** suggested convening a ESIF Sub Committee meeting in May 2019 so the projects nearing appraisal completion can be presented and discussed by the ESIF Sub Committee. The ESIF Sub Committee agreed that an interim meeting was needed, rather than reviewing the 6 applications by written procedures. The ESIF Sub Committee agreed that the date of the meeting needs to take into account the progress each application has made to ensure as many of the projects can be presented whilst not delaying other that are at a more advanced stage. **Joanna Wright** also noted that an interim meeting would mean that the outstanding ESF application could also be presented.

4.4. **Vicki** noted that the funds available under each Priority Axis that can be included in future calls; PA1 has £5 Million available; PA2 £1,765,000; PA3 £2.3 Million and PA4 is fully committed.

5. ERDF Projects

LCIF 2 (FI)

5.1. **Vicki** gave an overview of the ERDF project to the ESIF Sub Committee for an update following its conclusion of Written Procedures.

5.2. The LCIF 2 project is a Financial Instrument project which needs to be fully contracted by the end of March 2019 and this was the reason for the application being processed using Written Procedures. Whilst the appraisal process had been accelerated, the timing of the March 2019 ESIF Sub Committee meant there would be insufficient time to complete the Grant Funding Agreement process before the regulations deadline of 31 March 2019. The Grant Funding agreement has been issued to Norfolk County Council for signature.

- 5.3. The ESIF Sub Committee asked for clarity on where the match funding was coming from and it was noted the project is a co-investment fund. Investments into SMEs are made together with other investors such as business angels or other funds, investing into SMEs.

Andy Luff stated that he had Chaired the Steering Group for East of England to set up the FI in the area. An investment fund project is required to run through to the end of the programme in 2023, to allow time for investments to be made. This would create a legacy fund and fulfil most of the available funds from this priority axis. This project had been in development since early in the programme and had been complicated by clarifying who was to be the Entrusted Entity. Norfolk County Council has agreed to take on this role, provided it remains cost neutral for them, this led to the complex process of identifying project costs, and how these can be covered. It was noted that the Financial Instrument project from the 2007-13 Programme had some returns on investments which will be used as match funding against costs for this LCIS 2 project.

Andy Luff noted there was a specific provision in the Article 50 Withdrawal Agreement that Financial Instrument projects cannot be contracted after Brexit hence the need to adhere the tight deadline.

Better Off In Business

- 5.4. The **Chair** reminded the ESIF Sub Committee of the need to declare any conflicts of interest. **Vicki Bidwell** presented the ERDF project for a discussion on strategic fit and value for money, following circulation of the application. There were no declarations of interest.
- 5.5. Better Off in Business is a Princes Trust 3 year extension, Multi LEP application seeking 3a support – Promoting Entrepreneurship. The project started at risk in October 2018 and will complete by September 2021. It will look to support increasing entrepreneurship and engage with 3,800 NEET (Not in Education, Employment or Training), hard to reach 18-30 year olds and increase growth in SMEs across 9 LEP areas. The project is seeking £2,296,922 of ERDF funding.
- 5.6. The ESIF Sub Committee discussed the project and asked to see evidence on how the previous project has performed for information. It was noted that the project would provide excellent value for money and represents a small allocation of the total area funds. **The Chair** asked for any further comments and it was noted that clarity on the number of staff and how these resources were being allocated would have been useful.

Action Point 5

- **Vicki Bidwell to provide the ESIF Sub Committee with an overall performance update on the Stage 1 Better Off In Business project.**

- 5.7. The ESIF Sub Committee agreed that the application provided strategic fit and presented good value for money and would support it progressing to the next application stage.

Innovation Bridge 3

- 5.8. The **Chair** reminded the ESIF Sub Committee of the need to declare any conflicts of interest. **Vicki Bidwell** presented the ERDF project for a discussion on strategic fit and value for money, following circulation of the outline application. There were no declarations of interest.
- 5.9. The proposed project is seeking an ERDF grant of £1,631,746 to extend an existing Priority Axis 1B (Research & Innovation) live project for a third time. This a multi LEP application covers South East Midlands, Greater Cambridge, Greater Peterborough and Oxfordshire LEPs. It has a proposed start date of 1 July 2019 and completes on the 30 June 2022. The project aims to build on the success of the current Innovation Bridge project and provide SMEs with the opportunity of university collaboration. The project will offer development of an Innovation Action Plan by providing a free upfront “taster” of innovation support and an Innovation Grant up to £15,000 (up to 30% grant of a total project value) to assist in bringing new products and services to market.
- 5.10. The ESIF Sub Committee agreed there was a strong strategic fit with local priorities. Expenditure and milestones look realistic, as does deliverability.
- 5.11. **Andy Luff** noted that he had met with the Project Manager and noted that the project was relatively small scale for the area, with just £163,175 from the budget for this area which had been scaled down from the previous projects. The main reason for this is that the major delivery partner, University of Bedfordshire, covers mostly the South East Midlands LEP area. Oxfordshire LEP met few weeks ago and project was deemed to have strategic fit.
- 5.12. The ESIF Sub Committee agreed that the application provided strategic fit and would support it progressing to the next application stage.

6. European Social Fund European Social Fund (ESF) Programme Update

- 6.1. The National update paper, which had been circulated to the ESIF Sub Committee was presented by **Joanna Wright**. Joanna gave apologies for not being able to make the previous meeting, noting that ESF had dedicated approximately 3 months of staff work to working towards achieving the N+3 target. Joanna confirmed that claims had been submitted to the commission and exceeded the target by £37 Million.
- 6.2. As of the end of 2018 ESF commitment stood at £1.65 billion which represents 55.3% of allocation, this does not include pipeline. As of January 2019 there were 15 outline applications under considerations totalling £9.1 Million; 69 full applications in appraisal totalling £146 Million. There are 49 calls listed

totalling a further £102.6 Million of allocation. Nationally ESF is looking to commit all funds by end of next year.

- 6.3. Joanna noted that, like ERDF, work is ongoing looking at BREXIT plans. The Treasury Guarantee is in place for this programme and ESF has an additional layer of appraisal added to support a value for money template that is required to ensure Treasury underwriting remains in place.
- 6.4. ESF are looking to extend the call timetable to September 2019. A call is timetabled for May 2019 and 2 further calls, under Investment Priorities 1.1 and 1.2 calls later in the summer. It is expected this will use the remaining Greater Cambridge and Peterborough LEP area allocation, provided applications are of an acceptable quality.
- 6.5. The Reserve Fund will look to pull together all the available funding from across the country in each Investment Priority so that areas will be able to bid into the reserve fund. How this will work and how to apply is being developed and further information will be available in due course.
- 6.6. From April 2019 all applications will be submitted on E-Claims in one stage. Work is ongoing on making sure application forms are compatible and applicants will need to register to use the online system. This means an outline application is no longer required, just a full application. This process has been put in place due to the length of the call to contract process. Fundamentally the application forms will still require the same information.
- 6.7. **Andy Luff** asked how early the application be shared in the process, particularly regarding delivery partners being involved in project engagement. **Joanna** agreed to take this back and clarify.
- 6.8. **Andy** noted that he attended the National LEP network where concerns were raised about the process and timeframes. Various LEP areas, including this one, had noted that some applications were in the system for up to 2 years and still had not been issued a Grant Funding Agreement. It was also noted that the time taken to process applications had a direct impact on the achieving the N+3 expenditure targets.

7. ESF General Update on Applications and Calls

- 7.1 **Joanna Wright** provided highlights to the ESIF Sub Committee on the circulated paper regarding current applications status. The ESFA project has been agreed through Written Procedures and Investment Priority 1.1 application for Employability and under Investment Priority 2.1 Boosting Science Apprenticeships project has been withdrawn, due to value for money.
- 7.2 Joanna and Andy continue to work together on producing calls with the remaining allocations available, noting that Investment Priority 2.1 has over spent. It was noted that overall the commitment in this area is looking healthy including the pipeline.

- 7.3 Joanna reviewed the call for Priority Axis 2 Skills and Growth underinvestment Priority 2.2 Improving Labour Market Relevance of Educational and Training Systems. The title of the Call will be Strengthening the Links between Business and Education to address the Skills needs and workforce development. The call value is £2.3 million and is looking support 276 SMEs. The call will be open for 12 weeks from 24 May 2019.
- 7.4 **Andy Luff** added that the call is also addressing employer facing engagement activity and reflects priorities that have been identified in the area skills strategy and also seeks to bolster engagement with employers which in turn addresses the national drop in apprenticeship schemes and take up.
- 7.5 **The Chair** asked for any further questions or comments and the minimum application value was raised, requesting clarity on the number of potential projects and size of applicant required to submit a proposal. **Joanna** noted that the minimum application value is 25% of the total call
- 7.6 The ESIF Sub Committee agreed it was content for the call to be published, noting the earlier it was published the better.

8. ESF Projects

WRAP PROJECT

- 8.1. **Joanna Wright** presented the ESF project appraisal for a discussion on strategic fit and value for money. It was noted that this was no longer a competitive call. No declarations of interest were noted.
- 8.2. The proposed project has been submitted by Cambridge County Council requesting £249,792 of ESF funding. The project looks to support individuals with learning disabilities whether they are in work, learning or employed to seek and retain a job in their chosen career. The applicant has partially achieved conditions that were put to them in appraisal process and they continue to work on the financials.
- 8.3. The ESIF Sub Committee agreed the application had good strategic fit, appearing to contribute to the call, Operational Programme and local ESIF strategy. It was noted the call specifically asked for learning difficulties to be covered. The value for money unit cost comes in lower than the target for the area and the conversion costs and rate is low.
- 8.4. The ESIF Sub Committee agreed that the application provided strategic fit and were content for the application to progress to the next stage

Target Apprenticeships

- 8.6 **Joanna Wright** presented the ESF project appraisal for a discussion on strategic fit and value for money. No declarations of interest were noted.
- 8.7 The Target Apprenticeship projects has been submitted under Priority Axis 2.1 Enhancing Access to Lifelong Learning by the College of West Anglia. The project is seeking £1.3 Million of ESF to deliver the development of

relationships between businesses, and education and training providers. Apprenticeships are an area to address within the area strategy. The project will look to act as a brokerage to link schools and young people with the employers. All appraisal conditions have been met, and the main changes between the outline and full application has been to dates and delivery partners.

- 8.8 **Joanna Wright** noted the appraiser findings on strategic fit addressing barriers to women was a key area for ESF and further information will be requested around collating the gender figures.
- 8.9 **Andy** noted that the applicant has spent significant resource investigating local research on how they have calculated figures and provided a robust methodology. It was also noted that at some point all these projects will have to ensure they are working together. It was suggested that this be included as a condition and Joanna agreed to take this forward.
- 8.10 The ESIF Sub Committee looked for some clarity on the conversion rates and agreed that the application provided strategic fit and were content to support it to progress the application to the next stage.

9. Combined Authority Update

- 9.1. **Andy Luff** presented the highlights from the allocation paper circulated to the ESIF Sub Committee. Andy has been in discussions with Oxfordshire LEP to broker a funding swap of the remaining Priority Axis (PA)3 funds. The value is approximately £156,000 - £203,000 and will require ESIF Sub Committee approval and an update to the local strategy. The ESIF Sub Committee was content to approve.
- 9.2. **Andy Luff** provided a brief update on pipeline PA1 projects including Compound Semi Conductor Catapult, based in Cardiff who are looking to develop a project to support a cluster of businesses in this area in the manufacture of semi conductor technology.
- 9.3. The Reactor project is seeking an extension, focussed on digital media and businesses involved in software development for the gaming arena and are currently preparing the proposal. The remaining funding, subject to the funding swap mentioned above will be looking into an innovation based grant voucher scheme. For PA3 a generic based SME grant scheme is a possibility to fit in with the emerging priorities for the Growth Hub, linked to the local Industrial Strategy. PA4 is fully committed.

10. European Agricultural Fund for Rural Development (EAFRD) National Programme Update

- 10.1. David Sillett was unable to attend the ESIF Sub Committee and had provided a National Programme update spreadsheet. The ESIF Sub Committee agreed this item had been covered under Agenda Item 2 and the agreed Action Point.

11. Any Other Business

- 11.1. The **Chair** thanked members for their contributions and the Combined Authority for hosting and providing the venue.
- 11.2. **Andy Luff** offered to host the interim ESIF Sub Committee meeting at the CPCA office.

Date, time and venue of future meetings:

- **Date:** 20 May 2019 **Venue:** Combined Authority offices, Alconbury
- **Date:** 19 September 2019 **Venue:** Combined Authority offices, Alconbury

Annex A

List of Agreed Actions for the Greater Cambridge Greater Peterborough ESI Funds ESIF Sub Committee 27/03/2019 Meeting.

Agenda Item	Action	Action Assigned to
2	1. Andy Luff to draft the letter to EAFRD MA requesting more detailed updates on allocations and clarifying what funds are allocated to which projects and the status of those projects.	Andy Luff
2	2. Andy Luff to circulate Big Lottery Fund project performance figures to ESIF Sub Committee.	Andy Luff
2	3. Joanna Wright to send a copy of the link to the ESIF Strategy on the Combined Authority website to the Secretariat to circulate to ESIF Sub Committee members	Joanna Wright / Secretariat
3	4. Secretariat to send Case Study Booklet to ESIF Sub Committee.	Secretariat
5	5. Vicki Bidwell to provide the ESIF Sub Committee with an overall performance update on the Stage 1 Better Off In Business project.	Vicki Bidwell

Annex B Attendee List

Greater Cambridge Greater Peterborough Area ESI Funds subcommittee 27/03/2019 Meeting

Chair & Deputy Chair:

Name, title and organisation	Sector/Organisation Representing
David Gill, St John's Innovation Centre	Chair
Georgia Pritchard, MHCLG	Deputy Chair (ERDF Managing Authority)

Subcommittee Members:

Name, title and organisation	Sector/Organisation Representing
Vicki Bidwell – MHCLG	ERDF Managing Authority
Clare Higgins	Cross Keys Homes/LEP
Steve Clarke	C&P CA
Martin Clark	Allia / Future Business Centre - Social Enterprise
Joanna Wright	ESF Managing Authority (DWP)

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

Name, title and organisation	Sector/Organisation Representing
Claire Tilley Secretariat	ERDF Managing Authority – Secretariat
Andy Luff	C&PCA Consultant
Stuart Durrell	DWP
Tamanna Yasmine	ERDF Managing Authority

Apologies:

Name, title and organisation	Sector/Organisation Representing
Julia Nix	Equalities/DWP
David Sillett	EAFRD Managing Authority
Hannah Padfield	NFU
Dan Thorp	C&PCA
Aled Jones	Alliance for Sustainable Development