



Stoke-on-Trent and Staffordshire ESIF Sub-Committee

Minutes of meeting held 12 September 2019 14:00 – 16:00
Stoke Town Hall

Agenda:

- 1 Welcome and Introduction
2. Minutes of 9 May 2019 meeting and progress of actions
3. Local Industrial Strategy
4. Midlands Engine Investment Fund
5. ESF Update
6. EAFRD Update
7. ERDF Update
8. September Call Pipeline
9. AOB

1. Welcome and Introduction

- 1.1. The Chair welcomed attendees to the meeting.
- 1.2. Paul Hodgkinson (PH) declared an interest in agenda item 5.
- 1.3. Sara Williams (SW) declared an interest in agenda item 7.
- 1.4. Marek Hornak (MHO) declared an interest in agenda item 7.1 and 7.2.

2. Minutes of 9 May 2019 meeting and progress of actions

- 2.1. Sub-committee members agreed that the minutes were an accurate record of the previous meeting with exception to Paul Hodgkinson's declaration of interest was in ESF not EAFRD as stated.
- 2.2. Sub-committee members provided an update on the previous actions,

- 2.2.1 Action 1: Mark Connell (MC) noted that they are liaising with MCLG to ensure alignment in investment and gain a broader picture of outputs to identify gaps and will submit ERDF outputs review paper in next ESIF Sub-Committee meeting.
- 2.2.2 Action 2: Chris Findon (CF) provided an update on the Staffordshire Countryside Explorer application, confirming the value of the project has now increased, with the full application due to be submitted by the end of September.
- 2.2.3 Action 3: Harjinder Dhami (HD) gave an update on applications:
- 2.2.4 Skills Hub application: Agreed via written procedure.
- 2.2.5 Higher Skills: It was noted that this project hasn't committed yet, the project has asked for an extension in submitting their application, once formalised it will be sent to ESIF sub-committee for approval.
- 2.2.6 Action 4: MC ESF programme and the scope around that response to date is whether niche or narrow – it's part of a broader suite of interventions, whether niche or narrow think that description of activity fits with needs analysis.
- 2.2.7 Action 5: HD informed that they have not received the two call specifications but do have the option of launching them in December. The key area is maximising the call slots, which is key. It was agreed that if the calls are submitted by next week a December launch is still achievable.

Actions

Action 1: MC to include ERDF outputs review paper in next ESIF sub-committee meeting 28th November.

Action 2: MC to submit call to HC by end of w/c 16th September 2019 and agree provisional launch date.

Action 3: Fran Baker (FB) to email ESIF sub-committee Members to confirm who is the member and who is the Deputy.

3. Presentation on the Local Industrial Strategy

- 3.1.1 Sam Hicks (SH) attended the meeting as a guest to provide an update on the status of the Local Industrial Strategy (LIS).
- 3.1.2 The sectors identified in the LIS are Energy, Advanced Manufacturing and Advanced Materials, Business and Professional Services, Agri food and logistics.
- 3.1.3 The Industrial Strategy Grand Challenges that are of particular interest to LIS are, Clean Growth, Future Mobility, Aging Population and Data/Artificial Intelligence. The priorities identified from looking at cross cutting themes are, Connectivity (digitally and in transport), technology 5G, new energy technology and place-based opportunities will be a strong feature of local industrial strategy.
- 3.1.4 The next stage is to work with consultants and stakeholders, with the first draft ready for consultation by December 2019, for it to be signed off by 31 March 2020.
- 3.1.5 Members confirmed their agreeance with the LIS, as it addresses important areas, however there was concern regarding the uncertainty of Government in the current climate, causing work to be held up in areas such as Future High Streets. With a further concern around the timetable as consultation responses can take time.
- 3.1.6 Members noted that future funding streams will align with the LIS, therefore highlighting the importance of getting it right. The conservative manifesto to date acknowledges that anything that supersedes the ERDF programme, would need to align with the LIS. Engagement with businesses and stakeholders has already begun.
- 3.1.7 There is a date in diary for the whole LEP board to sit down before the end of October and talk through the status of the LIS. Members agreed that engagement will need to take place as quickly as possible.
- 3.2 Jackie McInnes (JMc) many of the areas mentioned are eligible for European Regional Development Fund (ERDF) and the current round of calls has a focus on priorities set out in the National Industrial Strategy. There is a clear link to



future and how best the area can make use of the current live calls value of £30m.

- 3.2.1 A query was raised of who can apply for calls. JMc confirmed ERDF requires match funding and can be applied for by institutions such as Local Authorities and organisations to support businesses.
- 3.2.2 Members raised an issue that opportunities may be missed due to lack of resources as a Local Authority and questioned whether there will be some innovation in the strategy, so that if there is a shortfall in one area, through working together can back it up for another.
- 3.2.3 There was a further discussion about resources being tight at present, however after the restructure, posts may become available to assist with the application (but noted that it would still be up to the applicant to bid). LEP has needed to re-structure due to is tremendous pressure on funding from the government, so is a very small team, there just isn't capacity at the moment.
- 3.2.4 It was raised there needs to be technical assistance in the future to support with applications. It is agreed that they advise and support businesses now but need to be collectively delivering that in future.

Actions:

Action 4: Secretariat to disseminate Sam Hicks contact details to work collaboratively with members.

4. Midlands Engine Investment Fund

- 4.1 Ryan Cartwright (RC) from British Business Bank attended the meeting as a guest and presented an overview of Midlands Engine Investment Fund (MEIF): Please see attached **presentation Annex C**.
- 4.1.1 MEIF has a £250 million collective pot; gaps were identified where banks were not lending, to this aims to fill that gap. It is set into four strands to assist businesses and make use of equity and debt funds. They work collaboratively to find the right solution for SMEs.



- 4.1.2 The aim is to get more deals throughout Stoke-on-Trent and Staffordshire, to spread across that LEP area, raise awareness and introduce more businesses to funding options. There is a new online digital hub called the 'Finance Hub', to help businesses understand and discover the finance options that could enable them to grow.
- 4.1.3 Members noted the low conversion rate from enquiry through to application and 'money through the door' and questioned what was happening in that process that means we're not getting the money out of the door and secondly, the language relating to equity is not familiar within the culture. Fund Managers need to do provide training workshops to ensure financial language is understood.
- 4.1.4 RC Noted that Fund Managers have reported back that there are often issues around eligibility when businesses are applying for the fund and that a high number of businesses don't have the skills or knowledge to present an application in the right way. This is where Intermediaries can get involved and add value by preparing businesses better and ensuring they have the correct information that a Fund Manager or another investor will need.
- 4.1.5 Members noted that intermediaries may be missing a real opportunity to work in partnership in making SMEs aware of the funds and helping raise awareness to get seminar sessions off the ground. RC clarified that strong efforts are being made in terms of a new marketing strategy; trying to support businesses to secure a deal.

Actions:

Action 5: Secretariat to email presentation out with Minutes. Attached at Annex C.

5. ESF Update

- 5.1 HD Noted that figures display a strong position and are expected to meet 2019 N+3 targets the call timetable has been extended to December 2019. Previously the Commission has decided to interrupt payments to DWP. Interruption has now been lifted and confirms that it did not affect any payments or GR's.
- 5.1.1 Locally, the Reserve Fund criteria is being finalised and the MA will write out to ESIFs shortly to confirm the criteria.



- 5.1.2 Area Update: If the National Lottery Community Fund (New name for Big Lottery) project change request is successful along with the Higher Skills application, this will take the area commitment up to 92%. Leaving PA1: £1.8 million and PA2: £3.9 million with total £5.7 million still to commit.

Other Applications:

- 5.1.3 Skills Hub Funding Agreement was issued 29 July. Higher Skills is still awaiting info from applicant. Once information is returned, ESIF agreed for this to be sent via written procedure for comments on strategic fit and value for money.
- 5.1.4 Higher Skills is still awaiting information from applicant. Once received it will be sent to ESIF via written procedure.

Action

Action 6: The Higher Skills application to be sent via written procedure to the ESIF Sub-committee once the full application has been submitted.

6. EAFRD Update

- 6.1 Chris Findon (CF) provided a MI update detailing Round 1 and Round 2 application progress. He noted that for round 2 there are a small number of applications due in by the end of September and these are being chased by the project sponsors. A number have been given extensions provided that planning permission has been submitted. The main concern has been the drop off rate, half of the EOI applications endorsed were either withdrawn or rejected. This concludes that £3.1million has been allocated but likely only £2.3million to be committed.
- 6.1.1 Subject to Ministerial agreement we are aiming to shortly launch a final round of Growth scheme. 2 of the themes Tourism Infrastructure and Business Development will be capped at de-minimis / C£175k. The proposal is that the Food processing theme will be capped at £500k. The lower grant level has now been reduced from £35k to £30k.
- 6.1.2 RDT will work closely with the Growth Hub to support applicants to bring forward quality applications. If the call goes ahead, we will be aiming to hold applicant workshops as well as offering 121 sponsorship to the best applications.



Action

Action 7: Chair will raise issue that the LEP needs to be made aware of all the available funding opportunities to avoid overlap and confusion. This will allow for a more strategic and targeted approach

7. ERDF Update

7.0 JMc confirmed the area notional allocation is 67% committed, when everything in pipeline included. calls were launched in June, covering the remaining balance of the area's notional allocation (£30 million). The closing date for the calls is 30 September 2019.

7.0.1 There is significant funding available in both PA3 SME Competitiveness, business support (£16.7 million and PA1, Science and Innovation (£6.4 million) Funding that is not allocated will be moved to the National Reserve Fund, respecting category of region and funding priority axis themes.

7.0.2 The call themes align well to the LIS emerging areas discussed earlier. The LIS is not due for publication till 2020 therefore the current calls ask applicants to align to domestic priorities such as the national industrial strategy.

7.0.3 Claims are being processed and 2019 N+3 targets are met for the Northwest Growth Delivery Team, which includes Stoke-on-Trent and Staffordshire.

7.0.4 Outline assessments will be the primary focus in October for the managing authority.

FB presents two projects for consideration:

7.1 Staffordshire Advanced Manufacturing Prototype Innovation Demonstrator (SAMPID) Summary paper 7.1.

7.1.1 Applicant is Staffordshire University with a total project cost £1.7 million. (ERDF just over £1 million). The project aims to start November 2019 with an End date of December 2022.



- 7.1.2 It is a Research and Development facility for Stoke-on-Trent and Staffordshire SMEs, delivered through a demonstrator facility with access of advanced manufacturing equipment.
- 7.1.3 The SME journey will at first stage will be an eligibility assessment, where they will look at strategic fit. It will then lead to SME completing an application, progress to full application with the idea that it will go into the live projects.
- 7.1.4 The ESIF sub-committee confirmed all in agreement the project has good strategic fit.

7.2 Midlands Internationalisation Fund:

- 7.2.1 The applicant is Department for International Trade (DIT). It is a cross LEP project, £10 million across 10 LEP areas. The Stoke-on-Trent and Staffordshire area have a total value of £2 million.
- 7.2.2 The proposed start date is April 2020 and End date 31 March 2023. The project aims to support 231 Stoke-on-Trent and Staffordshire SMEs and target high growth potential SMEs.
- 7.2.3 The activity is supporting businesses in their exporting activities via a diagnostic stage, where they identify barriers and needs, act as an independent fund administrator taking a case by case basis approach, providing expertise in international trade and competition.
- 7.2.4 Members queried some of the targets appeared high and queried the availability of match funding. Members comments were noted by the managing authority. The project is also being reviewed by other ESIF sub-committee.
- 7.2.5 There was a suggestion that in delivery the project could encourage access to finance opportunities as mentioned by MEIF.
- 7.2.6 The ESIF sub-committee confirmed all in agreement the project has good strategic fit and requested an update when following other ESIF sub-committees have reviewed the project.

Action

Action 8: JMc to summarise feedback from other ESIF committees regarding Midlands Internationalisation Fund.

8 September Call Pipeline

8.1 Part of the role of TA is to aim to try and maximise the spend of £30 million for eligible and strategic projects. MC discussed the level of enquires received so far.

8.1.1 From the projects the TA have engaged with they estimate approximately £23million of applications could be received. the £30 million allocation outline application. There is also the possibility of projects will be submitted that TA are not yet aware of.

8.1.2 Chair commented that the figures are very encouraging, and the opportunity should be maximised by encouraging applications before the end of September.

8 AOB No other business raised.

Annex A - List of Agreed Actions from 12/09/2019 SSLEP Sub-Committee Meeting

Action	Detail	Agenda item	Lead
1	Submit ERDF outputs review paper at next ESIF sub-committee meeting 28th November.	2.2	Mark Connell
2	Submit call to Harjinder Dharmi by end of w/c 16th September 2019 and agree provisional launch date.	2.2	Mark Connell
3	Email sub-committee Members to confirm who is the member and who is the Deputy.	2.2	Fran Baker
4	Disseminate Sam Hicks' contact details	3.1	Secretariat
5	Email Presentation out with Minutes. Annex C	4.1	Secretariat
6	Higher Skills still awaiting info from applicant. Once information back to be sent via written procedure	5.1	Harjinder Dharmi
7	Chair will raise issue of LEP has ability to be more strategic and push an	5.1	Paul Farmer



	overall fund rather than drip feed different funds at next LEP meeting next week.		
8	Gather feedback from other ESIF committees regarding Midlands Internationalisation Fund application.	7.1	Jackie McInnes

Annex B – ESIF sub-committee attendees and apologies

Chair & Deputy Chair:

Name, title and organisation	Sector/Organisation
Paul Farmer (Chair)	Stoke-on-Trent and Staffordshire Board Member
Jackie McInnes (Deputy Chair)	MHCLG

ESIF sub-committee Members / Other Attendees:

Name, title and organisation	Sector/Organisation
Mark Connell	Stoke-on-Trent City Council
Cllr Mark Winnington	Staffordshire County Council
Cllr Janine Bridges	Stoke-on-Trent City Council
Paul Hodgkinson	Keele University
Harjinder Dhami	DWP
Chris Findon	DEFRA/RPA
Sara Williams	Staffordshire Chambers of Commerce
Frances Baker	MHCLG

Samantha Hicks	Stoke-on Trent and Staffordshire Enterprise Partnership
Marek Hornak	Staffordshire University
Jodie Chadwick	MHCLG (Secretariat)

Apologies:

Name, title and organisation	Sector/Organisation
Dr Mark Bacon	Keele University
Darryl Evers	Staffordshire County Council
Nigel Senior	Staffordshire County Council
Leuan Ellis	Staffordshire University
Cllr Abigail Brown	Stoke-on-Trent City Council
Jill Norman	Support Staffordshire
Daniel Cook	Tamworth Borough Council
Sarah Tudor	Staffordshire University
Vicki Hardie	Staffordshire Chambers of Commerce
Trevor McMillan	Keele University
Cllr Tony Johnson	Cannock Chase District Council
Deborah Harris	Cannock Chase District Council

Annex C – British Business Bank / Midlands Engine Investment Presentation (Please see attached to email)