



European Union

European Structural
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**European Structural and Investment
Funds**

2014 - 2020

Growth Programme for England

**Oxfordshire ESI Funds Sub Committee
Tuesday 5 March 2019**

**Boardroom, OxLEP, First Floor, Jericho Building, Activate Learning –
City of Oxford College, Oxpens Road, Oxford, OX1 1SA**

Agenda:

1. Welcome and introduction
2. Minutes of 5 July 2018 and action update
3. European Regional Development Fund (ERDF) National Programme Update
4. ERDF Local Update
5. ERDF Outline Assessments
6. European Agricultural Fund for Rural Development (EAFRD) Management Information Report
7. European Social Fund (ESF) National Programme Update
8. ESF Local Update
9. AOB

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, Sarah McGinn sent her apologies due to the volume of applications the Rural Payments Agency were currently working through. **The Chair** gave apologies to say that unfortunately he had another meeting to attend so would have to leave the meeting early.

2. Minutes of 5 July 2018 meeting and action update

- 2.1. The draft minutes of the 5 July 2018 meeting were approved as accurate.
- 2.2. All actions were confirmed to be closed.

3. ERDF National Programme Update

- 3.1. **Graham Watt** provided a verbal update. In terms of Brexit planning the following was confirmed.

- 3.1.1. **If there is a deal:** then the programme continues – the HM Treasury guarantee is in place. The Managing Authority (MA) are currently planning the launch of a call sometime around May/June 2019, which is expected to be the last locally based call. Then after that will be a call under the Reserve Fund, possibly in November 2019. The aim of the Reserve Fund is to make sure that we spend the full value of the Programme to avoid having small amounts of money left over in various LEP areas' allocations that are too small to be put in a call; these sums can be brigaded together and a national call can be published; the second aim is to minimise overspends/underspends arising from exchange rate fluctuations. The MA will give advice on the process at the appropriate time.
- 3.1.2. **In the event of no deal:** then the ESIF resources become a domestic programme – colleagues in the Ministry of Housing, Communities and Local Government (MHCLG) Policy Team are working on what that might look like. It is expected that there will be a new Investment Framework which links current priorities with the Industrial Strategy. LEPs will be asked to compile a short 5-6 page summary document of local priorities to replace the ESIF Strategies based on local analysis used for the Local Industrial Strategies. If there is a deal then these local summaries will inform the calls under the Reserve Fund.
- 3.1.3. There is a delay on the UK Shared Prosperity Fund consultation which is awaiting No. 10 clearance before that can be launched.
- 3.2. **Graham Watt** provided an update on the National ERDF Programme. The national N+3 2018 target was £517 million. That target was exceeded by £50 million, so the 2018 target was met with a good start made towards the 2019 target, which is £859m; so far claims worth £711m have been paid (83% of the target), so a strong position.
- 3.3. The Greater South East Growth Delivery Team (GSE GDT) will build on the activities of last summer to achieve N+3. This year the GDT's share of the cumulative target is £81m. The GDT are carrying out Project Performance Reviews with every project during quarter 1, the purpose of which is to have a discussion about forecasts for the year. If all those processes are in place then N+3 will be achieved naturally, rather than focussing on that specifically. The GDT will review the under-performance measures and Project Change Requests in order to get projects back on track and delivering.
- 3.4. The Performance Framework (PF) targets cover expenditure and outputs which apply at the end of 2018 and then again in 2023. Each LEP area has a share of those targets. All activity to the end of 2018 counts and achievement is being calculated now. The targets have been reduced following the Operational Programme modification in November 2018. Priority Axis (PA)1, PA2 and PA3 are all well above the PF targets for expenditure and outputs across all Categories of Region. In PA4 only Transition expenditure has not met the target. There are difficulties across PA5, PA6 and PA8 where most of the targets have not been met, but there are reasons which have been discussed with the Commission.

- 3.5. 629 projects are now contracted to a value of over £1,600 million ERDF, slightly under half the value of the programme. Another 556 projects worth £1,046m are under consideration.
- 3.6. The 2018 booklet presenting case studies of projects around the country is now available on the ESIF website. Each GDT now has a Twitter account (@GrowthSoutheast for the Greater South East GDT) and everyone is encouraged to use social media to promote projects and to publicise key messages and events. With key decisions on UKSPF coming up, powerful local stories about the impact of ERDF are really important.

4. ERDF General Update on Applications and Calls

- 4.1. **Chris Armstrong** presented the Management Information report and explained that the figures have been rounded and were subject to change depending on various factors including programme adjustments, exchange rates and project performance. Based on the revised exchange rate the total ERDF allocation for Oxfordshire is now £8.9 million (previously £7 million before exchange the rate adjustment in 2018). Total for committed projects is £5.7 million (63%). At Grant Funding Agreement stage there is a total of £1.3 million (15%). The total pipeline and contracted value of projects in the LEP area is £8.9million (approximately 99.5%).
- 4.2. **Chris Armstrong** provided an update on applications. The PA3 South East Export Grant Scheme (£120,000) outline application was circulated by written procedures and was approved so has now been invited to submit a full application. There is also currently one PA3 application - eScalate (£1.34 million ERDF) at Grant Funding Agreement stage.
- 4.3. Based on the outline applications received there is a potential over commitment of £163,000 for PA1. Following the foreign exchange adjustment there is £203,723 of PA3 allocation remaining. The minimum value for a call is £500,000 so there is not enough for another call but a funding swap might be possible with another LEP area.
- 4.4. **Chris Armstrong** also confirmed, in response to the action brought forward from the previous meeting, that the cut off date for expenditure under the 2014-20 ERDF Programme is 31 December 2023.

5. ERDF Outline Assessments

- 5.1. At this point the Chair left the meeting and handed over to the Deputy Chair. **Chris Armstrong** introduced the item and he provided a summary of the outline assessment for each respective project. The Deputy Chair asked for anyone who had a conflict of interest to declare that before each project was discussed.

Innovation Bridge 3 - Innovation Expressway (Central Bedfordshire Council)

- 5.2. David Hartley confirmed that his organisation is a stakeholder in the project but not a delivery partner so it was confirmed there was no conflict of interest. Ahmed Goga and Matthew Peachey, both from Oxfordshire LEP and Oxford City Council respectively, declared an interest but this was not considered to be a direct conflict of interest.
- 5.3. The application is for £1.6m ERDF and the total project value is £3.2m. 10% would be for Oxfordshire (£163,000 ERDF). The primary target is to support 270 enterprises (C1) including; 58 grants (C2); 220 enterprises would receive non-financial support (C4); 48 new enterprises (C5); £1.2m private investment (C6); An employment increase of 44 (C8); 23 new to the market products (C28) and; 48 new to the firm products (C29).
- 5.4. There was a discussion about the performance of the existing project, the fact that the extension would no longer involve the New Anglia LEP area and how the project would integrate with existing related activity in Oxfordshire. The ESIF Sub Committee supported the Managing Authority's assessment that the project meets the requirements in terms of strategic fit and value for money and the recommendation to progress the application to the next stage.

Innovation Support for Business follow on (ISfB2) (Oxfordshire Local Enterprise Partnership)

- 5.5. Matthew Peachey confirmed that he had a conflict of interest so he left the room while this application was discussed. Gill Wells declared an interest as she works for one of the Delivery Partners from the existing project, but she is not part of the team who have submitted the application so again this was not considered to be a direct conflict of interest.
- 5.6. This follow on project would continue and enhance the current ISfB2 project without duplicating activity. ISfB2 follow on would form part of the Oxfordshire Growth Hub, although no BEIS Growth Hub funding would be involved in the project. The project addresses nine different output targets; the primary target is to support 45 enterprises (C1); the project would deliver 15 SME grants (C2); 30 enterprises would receive non-financial support (C4); 4 new enterprises would be supported (C5); £500,000 of private investment matching public support would be delivered (C6); there would be an employment increase representing 5 new jobs (C8); 5 enterprises would be supported to cooperating with research entities (C26); 2 enterprises would be supported to introduce new to the market products (C28) and; 4 enterprises would be supported to introduce new to the firm products (C29).
- 5.7. The ESIF Sub Committee supported the Managing Authority's assessment that the project meets the requirements in terms of strategic fit and value for money and the recommendation to progress the application to the next stage.

- 5.8. The ESIF Sub Committee discussed the remaining allocation for Priority Axis 1 and it was agreed that ISfB2 follow on project appeared to offer a better Strategic Fit for Oxfordshire and was preferable to Innovation Bridge 3.

Action 1

- **Ahmed Goga and Chris Armstrong to explore the possibility of an allocation swap to enable Innovation Bridge 3 to go ahead.**

Growing Oxfordshire's Low Carbon Economy - Extension (Low Carbon Hub)

- 5.9. David Hartley confirmed that he had a potential interest in this application but this was considered not to be a direct conflict of interest.
- 5.10. The project would form an extension to the current GOLCE project. The activities would benefit SMEs within Oxfordshire across both rural and urban locations and from all sectors. The application is for £535,000 ERDF and the total project value would be £1,070,000. The existing project represents: £1.6m ERDF and £3.2m in total. The project addresses four different output targets; the primary target is to support 55 enterprises in Oxfordshire (C1); the project would support 2 new businesses (C5); 4 enterprises would be supported to deliver new to the firm products (C29) and; the project would deliver an estimated annual decrease of GHG of 300 tonnes (C34).
- 5.11. The ESIF Sub Committee supported the Managing Authority's assessment that the project meets the requirements in terms of strategic fit and value for money and the recommendation to progress the application to the next stage.

6. EAFRD Management Information Report

- 6.1. The ESIF Sub Committee referred to the management information report that **Sarah McGinn** had provided in her absence. There was no further discussion on this item.

Action 2

- **Ahmed Goga would like to arrange a meeting with Sarah McGinn to discuss the EAFRD Programme since she was unable to attend the meeting.**

7. ESF National Programme Update

- 7.1. **Joanna Wright** provided a verbal update on ESF National Programme.

8. ESF Local Update

- 8.1. **Joanna Wright** spoke through the written update and talked through the local management information tables. PA1 (social inclusion) is currently over committed but PA2 (skills and learning) is currently under committed and as there is expected to be no further CFO/Opt in extensions any further proposals would need eligible local match funding. **Joanna** proposed to include the Oxfordshire

LEP area in the call timetable and agreed to discuss this further with Ahmed Goga after the meeting.

Action 3

- **Joanna Wright** to meet with **Ahmed Goga** to discuss the **PA1** over commitment and **PA2** under commitment and agree how to progress.

9. Any Other Business

9.1. **Paul Smith** mentioned the ESIF Sub Committee Terms of Reference and Code of Conduct and asked all members to review and sign the document at Annex C and also, where a member has a conflict of interest, to declare this at Annex D. The document was circulated with the meeting papers. **Joanna Wright** asked whether the MAs have to do this and it was confirmed this was not required.

9.2. The **Deputy Chair** thanked the ESIF Sub Committee for their time and closed the meeting.

9.3. **Date, time and venue of future meetings:**

- Date: 24 September 2019 – TBC, subject to room availability.

Annex A

List of Agreed Actions for the Oxfordshire ESI Funds Sub Committee 5 March 2019 Meeting.

Agenda Item	Action	Action Assigned to
5	Action 1 - Ahmed Goga and Chris Armstrong to explore the possibility of an allocation swap to enable Innovation Bridge 3 to go ahead.	Ahmed Goga / Chris Armstrong
6	Action 2 - Ahmed Goga would like to arrange a meeting with Sarah McGinn to discuss the EAFRD Programme since she was unable to attend the meeting.	Ahmed Goga / Sarah McGinn
8	Action 3 – Joanna Wright to meet with Ahmed Goga to discuss the PA1 over commitment and PA2 under commitment and agree how to progress.	Ahmed Goga / Joanna Wright

Annex B Attendee List

Oxfordshire ESI Funds Sub Committee 5 March 2019 Meeting

Chair & Deputy Chair:

Name, title and organisation	Sector/Organisation Representing
Nigel Tipple, Oxfordshire LEP CEO	Chair
Graham Watt, MHCLG	Deputy Chair

Sub Committee Members:

Name, title and organisation	Sector/Organisation Representing
Ahmed Goga, Oxfordshire LEP	LEP
David Hartley, Oxford Brookes University	Higher Education
Giles Hughes, Oxfordshire LEP	LEP
Gill Wells, University of Oxford	Higher Education
Matthew Peachey, Oxford City Council	Local Authority
Neil Edwards, Activate Learning	Further Education

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

Name, title and organisation	Sector/Organisation Representing
Chris Armstrong, MHCLG	ERDF Managing Authority
Joanna Wright, DWP	ESF Managing Authority
Jon Wood, DWP	ESF Managing Authority
Paul Smith, MHCLG	ERDF Managing Authority (secretariat)

Apologies:

Name, title and organisation	Sector/Organisation Representing
Alan Bardos, Defra/Rural Payments Agency	EAFRD Managing Authority
Andrew Marshall, Activate Learning	Further Education
Barbara Hammond MBE, CEO Low Carbon Hub	Business Partners (Social Enterprise)
Jacqui Canton, Abingdon & Witney College	Education, Skills and Employment
Jayne Manley, Earth Trust	Environment and Sustainability
Melanie Smans, South Oxfordshire and Vale of White Horse DC Councils	Local Authority
Philipa Tatham, Cherwell District Council	Local Authority
Sarah McGinn, Defra/Rural Payments Agency	EAFRD Managing Authority
Sophie Milton, South Oxfordshire and Vale of White Horse District Councils	LEADER
Tom McCulloch, Community First Oxfordshire	VCS