

Summary Notes: Yorkshire Universities ESIF Good Practice Guide Launch Event Friday 14th November 2014:

Context

Yorkshire Universities secured funding from the Yorkshire and Humber 2007-13 European Regional Development Fund (ERDF) and the Higher Education Council for England (HEFCE) with a view to help universities engage with the 2014-2020 EU Structural Funds (ESIF) Programme. This included:

- Working with the three LEPs¹ within Yorkshire & Humberside to ensure that potential HEI contributions to 2014-2020 ESIFs are understood and maximised.
- To identify and develop a pipeline of collaborative projects in the fields of research, innovation, SME competitiveness, high level skills, enterprise and business start-ups for delivery during the 2014-2020 ESIF programme.
- To produce and disseminate through publication and workshop presentations a Good Practice Guide designed to support stronger HEI engagement with the new ESIF programme by showcasing successful and innovative practice from ESIF programme funding and by addressing possible barriers to HE engagement with the ESIFs for the next 2014-2020 programme.

Whilst initially focused on local Universities the remit and project examples was deliberately expanded to cover the UK. Following the appointment of a team of consultants and a series of workshops and interviews, to which NW HEIs and NwUEU have contributed, Yorkshire Universities was proud to launch their ESIF Good Practice Guide.

A Copy of the Guide is downloadable from: <http://yuta.yorkshireuniversities.ac.uk/good-practice-guide>.

Outline of the speakers and key points:

1. Professor Calie Pistorious, Vice Chancellor, University of Hull

Provided some context in terms of the economic scale of UK HEIs:

- Total HEIs UK = £73Bn output. 3% of UK GVA; 117 other jobs for every 100 HEI Jobs.
- More than 50% total HEI Income is now Public Sector. In respect of the Yorkshire and Humberside Universities this equates to £2.2Bn output pa.
- HE stimulates £2.8Bn via other industries/sectors.

Key comments: stakeholders need to remember HEIs work in an international arena in respect of Enterprise, Teaching & Learning and research but also locally re. their impact, cultural development, GDP, employment and economic regeneration. HEIs contribute significantly to local economy and are major stakeholders in their own right – local growth strategies don't work without HEIs' input/engagement. HEIs are sources of match; this is not a hand-out but reflects they are agents to make change and can contribute.

¹ Leeds City Region, York North Yorkshire and East Riding and Humber

2. Roger Marsh, Chair Leeds City Region LEP, ESIF allocation: £340m

Provided an outline of their LEP: with nine HEIs in Leeds City Region HE involvement is both expected and potentially significant.

There are three strands to LEP approach to HE:

- (1) Graduate employability/retention (to reduce loss of high skilled);
- (2) [increase] innovation and enterprise and SME engagement of HEIs;
- (3) increase in skills levels to encourage growth and better jobs.

RM indicated regular dialogue with collective of HEI VC's helped convey understanding of issues. Recognised the challenge of cross LEP activity is being looked at with regular dialogue between Yorkshire LEP Chairs – this recognises that some Industry sectors just don't recognise/reflect LEPs hence they need to work together – its not perfect but the its evolving.

3. Sue Brownlow: Consultant/Joint Author of Guide:

Three overlapping areas of HEI conversations with LEPs:

- Strategic Priorities
- Deliverers of Operations (Groups of Projects)
- Providers of economic intelligence.

Issues for HEIs to ensure are covered in their thinking:

- Strategic Fit with SEP and ESIF: Focus on outcomes not activities: Look for the “sweet spot”
- Partnering not bidding: i.e. Co-creation of investment concept and bring in wider partners in forming activities especially employers/industry. Overcoming some prejudices/assumptions.
- Growing push towards collaborative partnerships and of multi facet/multi project bundles to propose “Operations” including 3rd parties. View trend is away from stand-alone bids.
- Secure multi-level engagement between LEP and HEIs and ensure excellent communications both internally and externally at strategic and operational levels. Felt strong positive leadership was important.

NB: 20% of the UK ESIF Budget is on R&D and Innovation.

- Seek to address the Smart Specialisation strategies in HE proposals through larger operations and groups of projects.
- What are the new market opportunities that will be addressed?
- How is the business demand evidenced?
- Demonstrate that activity will lead to impact.
- How is collaboration with business demonstrated?
- Keep language simple and define roles! Robust project management is crucial.
- Align the revenue proposals to support capital investments.
- Demonstrate clear Sector focus.
- Clear positioning of the proposal in the market place.
- For capital – where is the evidence it is a building and not “kit” that is needed?

- For incubation activities – take into account ECA recommendations about to be published.
- How will dialogue with SMEs be developed/grown? Start early.
- Ability to use Unit Costs is of interest – not previously used in English ERDF programme but has been in Highlands & Islands.

Invest time in building trust and developing shared vision and strategy with the LEP players. Maximise the potential for HEIs to act as long term hub for developments in LEP area.

Don't focus too much on EU funding processes. Keep eye on the ball of delivery and what can be built from it; e.g. Building SME relations out of internships/placements.

Suggested work out how to have a strategic development body/combined operations body to handle multi- faceted operations and meet LEP ambitions for minimum number of contracts. (E.g. Gtr Mcr is now seeking just eight or nine “operations”/ large contracts).

Main New HEI Opportunities are: Social Innovation; Low Carbon; Widening Participation (use POLAR data re. cold spots) and HLS (in particular skills progression); Student Enterprise and entrepreneurship however these must be enhancements to /outside mainstream provision (e.g. extra curricular to UG tuition).

HEIs should think hard about Social Innovation. There is low collective experience and HEIs could lead in the area (Health and well-being?).

Ensure effective HEI membership on LEP Innovation Sub groups and Skills and Employment Groups.

Identify/demonstrate business growth related outputs as determined through better SME engagement.

4. Kevin Richardson. HEFCE Advisor on ESIF:

NB to remember current activity is the blueprint for much more than ESIF. HEIs are way ahead in collective national thinking on approaches/dialogue. Keep the high ground by keeping going. ESIF is only the first in long line of funding sources and LEP area and other allocations will be reviewed in 2017. 96% of relevant funds are now at local level control but there is no “referee” e.g. DCLG! Must work with and try to shape LEP policies/priorities.

EU rumours etc. are rife but the usual final stages of negotiations are ongoing. This is normal – but the baselines are secure. The Regulations and Partnership Agreement (PA) – the latter sets out the context and broad activities for inclusion are now fixed and are not going to change for the seven year period. The Operational Programmes must reflect the Partnership agreement. NB. **Read the PA!**

In the absence of absolute clarity it is important to work strategies and outline plans up now – don't wait for the calls! KR view - free standing single projects won't go through.

The final outcomes require DCLG and ESIF Committees to work closely. **Engage with DCLG directly re. issues of eligibility and around simplified costs** – further guidance expected on the latter imminently.

Commission is due to respond on Smart Specialisation strategies very soon. Will expect ESIF delivery plans to make close reference. EC will also expect strong response to the social innovation agenda.

Suggested next steps:

<ul style="list-style-type: none"> • Build dialogue on how the collective HE and partner proposals fit the LEPs plans. • Separate the “What”, the “How” and the “Who”. 	<ul style="list-style-type: none"> • Prepare and identify the best intervention arguments and evidence. • Mature the dialogue on the balance of High Level Skills within wider ESF. • Propose cross LEP boundary ideas if you want them.
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Other thinking points:

<ul style="list-style-type: none"> • Links to Horizon 2020 and other schemes • Links to Growth Hub developments • Links to business partners/employers and colleges • What is the practical scale of match we are bringing? 	<ul style="list-style-type: none"> • Is this the best geographic scale? • Think in terms of Big Shared Operations. • Everyone doesn’t need to do everything within a Big Operation. • Work to understand unit costs and simplified cost options.
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NwUEU summary and comments:

Overall the Guide provides some interesting points and examples of what has worked well and pitfalls to avoid; there are of course a number of comparable and successful projects within the NW as well not mentioned, but the Guide provides a good cross-section of activities where ERDF has been utilised.

Whilst Greater Manchester LEP has indicated a desire to issue a relatively few large contracts (“operations” containing multiple sub-activities), it is currently unclear how far down this route other LEPs are on this. We would be wary of putting too much emphasis on this at this time and be careful not to superimpose their thinking on other areas; that said, certainly from a DCLG Management prospective, the fewer contracts needing to be managed the better.

One of the important points made was to talk to DCLG; we also need to be mindful that whilst they will control over the technical aspects of appraisals, there is a double lock on this at the moment. Govt is saying very clearly that they will not fund projects which are not supported by the LEPs, unless they are ineligible. If this is the case, DCLG will work with applicants to see if elements can become eligible to fit with LEP ESIF strategies. Clearly, this is somewhat at odds with the statement that everything has to fit with the National OPs.

Our reading and message to stakeholders is that the links and developing informed understanding with the LEPs (and other local stakeholders) of how HE activities fits/supports ESIF plans (and wider LEP strategies) are much more important at the moment to ensure that frameworks for calls actually include what HEIs want to deliver within the ESIF. It needs to be also remembered that ESIF is just one source of funding: the LEPs increasingly have access to wider funding including Local Growth Funds,

City Deal etc. and therefore the scope to fit proposed activities against other funds should be considered.

The local authorities are in the ascendency, especially in the two city regions, and we suspect that there will be a large number of local authority reps on all the local EU subcommittee (which are tasked with approving the ITTs and later making the investment recommendation/decision. The HE sector will typically have only one or at most two reps on these ESIF committees and the danger is that they will be seen as a single interest group, lobbying for their own projects.

We would also strongly encourage HEIs engage and utilise from the earliest stage possible the wider private sector in formulating and sounding out application proposals. Evidence of such engagement and development will strengthen applications and help demonstrate compliance to one of the key questions around activities being demand-driven not supply led. This applies equally to both ESF and ERDF proposals.

One of the critical challenges for HE is how will they get across the local economic impact of ERDF investments where the activity focus may tend towards research collaboration (HE ambitions in part) and not on commercialisation, GVA growth, SME growth and employment (ESIF/LEP ambitions). The Higher Level Skills (HLS) aspects and connections to local skill strategies/ strategic developments are important points to repeatedly advocate to LEPs, particularly as local authorities effectively gain more control over the skills agenda - which is not necessarily geared to the HLS agenda.

If you would like to discuss any of the above points further then please contact us accordingly: NwUEU staff together with our team of consultants would happy to help try to clarify any issues you have.

Neil Clatworthy
Director, NwUEU
14th November 2014