



European Union

European Structural
and Investment Funds

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

Growth Programme for England

ESI Funds Growth Programme Board

LEP Area ESI Funds Strategy Finalisation Process

Purpose:

To update the Growth Programme Board (GPB) on the process for finalising the LEP Area ESI Funds Strategies and their ongoing review in relation to ESI Funds Operational Programmes.

Recommendations:

The Board to note the process for finalising the LEP Area ESI Funds Strategies.

Summary:

Updated local ESI Funds Strategies are being reviewed to ensure consistency with the adopted ESI Funds Programmes.

Once local MA teams have confirmed that each local ESI Fund Strategy is consistent with respective ESI Funds Programmes, these will be aggregated and reviewed across Whitehall departments in relation to England Operational Programmes.

The GPB will receive a report on trends and issues arising from the update process at the next meeting of the GPB on 16th June 2016. This report will include proposals for further updating of local ESI Funds Strategies.

Managing Authorities will write jointly to the local ESI Funds sub-committees in June confirming agreement of each ESI Funds Strategy once the GPB has provided their views.

Background

1. LEP Area ESI Fund Strategies set out how the ESI Funds will be invested to pursue local growth for the LEP Area within the context of the ESI Funds Programmes. It is important that the content of these Strategies are consistent with the adopted ESI Fund Programmes and collectively ensure that these Programmes will be delivered.
2. In July 2015 a Guidance Note was sent to local partners setting out the actions required to update ESI Funds Strategies prior to formal sign off by HMG. Updated ESI Funds Strategies were due to be submitted to HMG by 5th February 2016.
3. The ESI Fund Strategies have already been subject to 2 intensive reviews in October 2013 and February 2014. The last stage prior to finalisation is to ensure ESI Fund Strategies are consistent with the content of the adopted ESI Fund Programmes.

4. Local MA teams are currently reviewing strategies to ensure their content is consistent with the respective Programmes including the governance arrangements text, the allocations and output targets previously distributed and that comments previously provided on early ESI Fund Strategy drafts have been satisfactorily addressed.

ESI Fund Finalisation Process Detail

Allocations and Output Targets

5. Each MA's local teams will review ESI Funds Strategies to ensure inclusion of and consistency with the most up to date:
 - Breakdown of notional financial allocations; and
 - Output Targets where appropriate.
6. The consistency element of this task includes ensuring that the supporting narrative in the text is consistent with the figures and it is clear that the LEP areas performance will be measured against this data. In addition, in the case of ERDF the text will also need to accurately reflect the investment priorities relevant to the development needs in LEP areas set out last year as part of the output allocation exercise.
7. ESI Fund Strategies will also be required to set out their allocations in euros. Where sterling is used the narrative needs to explain that those valuations will change over time reflecting ongoing euro/sterling exchange rate fluctuations.

February 2014 ESI Fund Strategies' Feedback

8. During previous reviews of ESI Funds Strategies the process included an opportunity for national policy leads to consider the material. Local MA teams are reviewing the feedback that was provided then to ensure that it has been addressed where applicable in the updated ESI Funds Strategies.

Growth Programme Board Role

9. The GPB will be provided with a report at the next GPB meeting on 16th June 2016 that summarises key issues and trends that have been identified from the update process. This will consider thematic and geographic challenges and opportunities and issues for the GPB to consider ahead in the monitoring of performance for each Operational Programme.
10. The report will also set out proposed arrangements for reviewing and updating of local ESI Funds Strategies, particularly in relation to adjustments to the balance of financial resources in each priority Axis.

Formal Sign Off Process

11. Once local MA teams have confirmed that each ESI Fund Strategy is consistent with ESI Funds Operational Programmes, central MA teams will aggregate and review this information to ensure consistency at Operational Programme level. MAs

will write jointly to local ESI Funds sub-committees in June confirming HMG agreement of local ESI Funds Strategies.

On-going Updates to LEP Area ESI Fund Strategies

12. The notional allocations in LEP areas reflect the development needs set out in Operational Programmes, at a local level. As programme implementation continues and development needs are met, there is scope for notional allocations and, where appropriate, outputs at LEP area level to change. These changes could be required either as a result of performance management issues or due to a revision of an ESI Fund Programme. Proposals for managing these changes will be set out in a report for the next meeting of the GPB on 16th June 2016.

7 March 2016
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