

**European Union**European Structural
and Investment Funds**European Structural and Investment Funds
2014 - 2020****Growth Programme for England****ESI Funds Growth Programme Board****Summary Report from the National Sub-Committees****Purpose:**

This paper summarises business at National Sub-Committee meetings held in the last quarter. It lists their current membership and covers:

1. Communications Sub-Committee
2. Employment, Skills & Social Inclusion Sub-Committee
3. Equalities & Diversity Sub-Committee
4. Evaluation Sub-Committee
5. Performance & Dispute Resolution Sub-Committee
6. Smart Specialisation Sub-Committee
7. SME Competitiveness Sub-Committee
8. Sustainable Growth and Development Sub-Committee
9. Sustainable Urban Development Sub-Committee

Recommendations:

That the Growth Programme Board notes the report.

Abe Allen
GPB Secretariat
30 November 2017

Communications Sub-Committee

Membership

- | | | |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------|------------------------------------------|
| • Rob Martell (Chair)
DCLG | • Margot Tomkinson-Smith
Thames Valley Berkshire LEP | • Matt Smart
Oxford University |
| • James Ritchie (Deputy
Chair) DWP | • Alex Ledbrooke
Cornwall Council | • Liz Sheppard
Defra |
| • Thomas Corker
BEIS | • Jen Robson
North East LEP | • Laura Spencer
Big Lottery |
| • John Hacking
Third Sector National
Learning Alliance | • Laura Welham-Halstead
Greater Cambridge & Greater
Peterborough LEP | • Laure Farret
GLA |
| • Aniekan Ekwere
BEIS | | |

1. The most recent meeting of this sub-committee took place on 4 October 2017. Delivery of the 2017 Communications Activity Plan to-date, plans for the annual major information activity later in early November and proposed content of the 2018 Communications Activity Plan were the main focus of the meeting. Upcoming support of the National Sub-Committee review was also discussed. Members agreed to consult their respective sectors regarding any communications activities planned in the short-term and to share this with the sub-committee.
2. The managing authorities (MAs) reported on key communications activities to have taken place in 2017. These included the GPB paper relating to actions undertaken in response to the Communications Partner Survey, ESI Fund Programme partner and ERDF practitioner network bulletins, social media activity, press cuttings/coverage and published lists of beneficiaries.
3. It was re-emphasised that advising on and supporting the ongoing delivery of the 2017 Annual Activity Plan, particularly in supporting the engagement of local / national partners in communications activities such as the upcoming 'Annual Information Activity', remained a key role for the sub-committee. Members agreed to consult their respective sectors regarding any communications activities planned in the short-term and to share this with the sub-committee.
4. The next meeting of this sub-committee will take place in April 2018. The focus will be the initial delivery of activities within the 2018 Communications Activity Plan, upcoming communications challenges and the results / proposed actions following the Communications Partner survey which will have been conducted in Jan / Feb 2018.

Employment, Skills and Social Inclusion Sub-Committee

Membership

- | | | |
|----------------------------------------------------------------------------|---------------------------------------------------------------------|------------------------------------------------------------------------------|
| • Emma Kirkpatrick
(Acting Chair) DWP | • Gabrielle Melvin
Office of Civil Society | • Nick Small
LEP Network |
| • Mark Bacon
Keele University | • Hylida Mounsey
Cornwall Council | • Steve Spendlove
DWP |
| • Chris Ball
Research Fellow,
Newcastle University | • Ian Oakes
University of
Wolverhampton | • Mal Nicholls
DWP |
| • Becky Brookes
Employers' Network for
Equality and Inclusion | • Sue Ormiston
The Big Lottery Fund | • Michelle Thompson
Department for Education |
| • Ellen Broome
Family and Childcare Trust | • Nicola Radford
Coastal Communities
Alliance | • Marc Vermyle
European Commission |
| • Rita Chircop
Greater London Authority | • Laura-Jane Rawlings
Youth Employment UK | • Judith Walker
DWP |
| • Eleanor Dearle
Local Government
Association | • John Hacking
Third Sector National
Learning Alliance | • Iain Wishart/Sarah Morris
Education and Skills
Funding Agency |
| • Ted Ryan
RnR Organisation | | |

1. The sub-committee met on 25 October 2017. The ESF MA presented a progress update, noting that end of September data was used.
2. ESF has committed spend of £1.326bn. There are 305 Direct Bid projects and 148 MOUs for the four National CFOs. The reductions in committed spend compared to the July figures is as a result of adjustments made following the receipt of ESFA Project Change Requests.
3. From August to October, 27 calls went live giving a total of 31 live calls and there are more planned.

Key findings from the Outputs data are:

- Nationally, two out of seventeen sub-groups appear to have a low level of commitment in comparison to committed spend.
- The 'without basic skills' and 'over 50 years' sub groups commitment is below that expected. The MA is negotiating with LEPs to target these areas.
- Commitment of 'offenders' or 'ex-offenders' continue to be strong.
- Particularly strong YEI sub groups are 'participants with disabilities' and 'single adult household with dependant child'.

Key points from the Results data are:

- Nationally, with the exception of YEI, all but two sub-groups are performing well against their targets; in terms of results we are impacting the right groups.
- IP1.4 has two sub-groups not within target 'inactive participants into employment or job search upon leaving' and in education or training on leaving'. This is being addressed through contract management to ensure there is quality provision in place.

4. Mark Jackson from the ESFD IT/MI team gave the sub-committee an update on how the work to develop the MI/Reporting arrangements is progressing.
5. Jackie Tinkler from the Central Delivery team provided an update from the Operational Delivery side of the business.

The next sub-committee meeting will be on Thursday 15 February 2018.

Equality & Diversity Sub-Committee

Membership

- **Catherine Blair**
(Acting Chair) DWP
- **Alan Beazley**
Employers' Network for
Equality and Inclusion
- **Duncan Carnie**
DWP
- **Tamara Flanagan**
New Europeans
Association
- **Rita Chircop**
Greater London Authority
- **Marc Vermyle**
European Commission
- **Alice Hood**
TUC
- **Peter Riley**
Manchester Metropolitan
University
- **Sandra Popoola**
DCLG
- **Rachel Quinn**
D2N2 Social Inclusion &
Equalities Advisory Group
- **Mal Nicholls**
DWP
- **Sue Ormiston**
Big Lottery Fund
- **Jonathan Slater**
London Voluntary Service
Council
- **Steve Spendlove**
DWP
- **Shafqat Rahim**
Education and Skills
Funding Agency
- **Mark Wright**
EHRC

1. The sub-committee met on the 11 October 2017. The ESF MA presented a progress update, noting that end of May data was used.

Current commitment to ESF is £1.391bn which equates to approximately 44% of the total allocation being committed. A number of new Funding Agreements have been issued to Direct Bid organisations which has offset the reduction in ESFA commitment.

There are 104 Direct Bid Funding Agreements with a total of £273.35m in place and MOUs for the four National CFOs valued at £1.118bn.

2. Catherine Blair explained the current RAG-rating methodology, taking the members through the Outputs – commitment data pointing out the current level of commitment against programme-specific output indicators. The findings (and in particular where current commitments are below expectation compared to the proportion of budgetary commitment) should be utilised in each LEP area to discuss requirements for future calls. She did emphasise that at present the tables represent commitment data and that over time it will be possible to incorporate more actuals data. At present actuals data cannot yet be incorporated as:
 - The current sample size is too small to be meaningful;
 - The MA is unable to interrogate the data to provide meaningful analysis without the use of the Jaspersoft tool.
3. Attention was then drawn to the Results – committed participants data, highlighting the following points:
 - Nationally most sub groups are performing well against their targets;
 - YEI has three sub groups who are not within 5% of their targets. Contract Managers are supporting Grant Recipients to address this and adjustments will be made within the Operational Programme to reflect Labour Market changes. The recently launched YEI calls have been concentrated in areas where youth unemployment continues to be a challenge and there is a realistic chance for results to be achieved. Actuals are starting to come through now on YEI projects, showing a positive shift upwards.

4. Peter Kennedy from the Central Delivery team presented to the sub-committee the re-structured arrangements across the ESF Delivery Team.
5. Vicky Bailey from the managing authority gave an update on the engagement between the MA and Gypsy, Roma and Traveller (GRT) communities.

The next sub-committee meeting will be on Thursday 25 January 2018.

Evaluation Sub-Committee

Membership

- | | | |
|----------------------------------------|---------------------------------|---------------------------------------------------------------|
| • David Morrall (Chair)
DCLG | • Michele Mazza
BEIS | • Sue Parkinson
LEP Network |
| • Aloke Siddique
BEIS | • John Hacking
VCO | • Francis Lee
LEP Network |
| • Sarah Boyall
DCLG | • Simon Jones
DCLG | • Phil Smith
Private Sector and Small
Businesses |
| • Nisha Patel
DCLG Analyst | • Emily Kent
Cornwall | • Anthony Mtitimila
Universities |
| • Justin Martin
Defra | • Amy Coleman
Culture | • Mal Nicholls
DWP, ESF Evaluation
Lead |
| | • Marianne Law
BEIS | • Max Nathan
Academic |

1. While there was no meeting, the Evaluation National Sub-committee was consulted via written updates in September.
2. On ERDF, progress was reviewed on the National Evaluation and Summative Assessment. The ERDF Managing Authority (MA) reported that the guidance, appendices, form and templates on Summative Assessment were published on 9 August.
3. Since the last meeting the ERDF MA had addressed a number of suggestions and queries from sub-committee members. Key points included:
 - Members raised concerns over the challenge of adhering to Summative Assessment requirements for projects already underway and due to end soon. The ERDF MA has set out clearly in the guidance what is required of projects already contracted, with a lighter touch approach for those contracted more than 6 months before publication of the guidance and a lighter still requirement for those due to end this year.
 - Members proposed that selling the idea of the Summative Assessments to stakeholders would be a key aspect of its success. The ERDF MA designed a comprehensive communications plan to raise awareness and secure buy-in from stakeholders. Evaluation Champions have been installed in each GDT to promote and provide support on the Summative Assessment process. A roadshow of awareness-raising sessions provided an opportunity for contract managers in GDTs and the GLA to learn more about the process and ask any questions. Other activities included a presentation to the Growth Programme Board; an awareness-raising session with local Technical Assistance partners; and articles in the MA's internal Spotlight blog, EPLGD Hub and external ERDF Practitioner and ESIF Programme bulletins.
 - Members highlighted the importance of the guidance being accessible and tailored to its audience. The ERDF MA revised the guidance, ensuring the guidance document itself addressed grant recipients directly setting out the Summative

Assessment requirement, while the appendices to the guidance are aimed towards those carrying out the evaluation.

4. The ERDF MA reported that the National Evaluation scoping study had been finalised and was being prepared for publication. Sub-committee members were provided with an unformatted version of the final report.
5. The ERDF MA provided a timeline for the National Evaluation [note there has been some slippage on the below timetable]:
 - Initial proposal to research gateway (September/October) accepting that the proposal may need to go through a couple of iterations.
 - Develop Invitation to Tender (ITT) ready for publication (November/ December).
 - National Evaluation contract start (March 2018).
6. The ESF MA also provided a progress report. Key points included:
 - A process evaluation of the Youth Employment Initiative (YEI) had been completed and a final report would be published in the near future;
 - An impact evaluation of YEI was commissioned through a competitive tender in April 2017 and commissioned to Ecorys UK Ltd. The evaluation will report in 2018 in line with the deadline set by the Commission;
 - Following a competitive tendering exercise, Ecorys UK Ltd have been awarded the contract for the ESF Impact Evaluation Design and Scoping project. To date Ecorys have completed a literature review, developed the topic guides and will be commencing fieldwork in September 2017.
 - The ESF Leavers' Survey 2016-18 was externally commissioned. The contract was awarded to IFF Research Ltd, via a competitive tender process in summer 2016; the contract commenced on 17th October 2016. Waves 1 and 2 of the main stage fieldwork have been completed. Wave 3 of the survey will commence in September 2017.
 - The ESF Evaluation Team have begun to carry out a feasibility study to fully explore the possibility of using administrative data to monitor and evaluate ESF. Work will continue until December 2017.

Performance & Dispute Resolution Sub-Committee

Membership

- | | | |
|---------------------------------------------------------------|-----------------------------------------------------------------|---------------------------------------------------------|
| • Zainab Agha (Chair)
DCLG | • Emma Kirkpatrick
DWP | • Heather Waddington
Leeds City Region LEP |
| • David Malpass
DCLG | • Alex Conway
GLA | • John Hunt
College |
| • Mary-Louise Harrison
LEP Network (more developed) | • Keith Harrison
Action for Communities in Rural Kent | • Russell Reefer
Local Government Association |
| • Simon Jones
DCLG | • Justin Martin
Defra | • Aniekan Ekwere
BEIS |
| • David Pratt
Higher Education | • Emily Kent
Cornwall & Isles of Scilly | • James Newman
LEP Network (transition) |
| • Richard Powell
Local Nature Partnerships | | |

1. The Performance & Dispute Resolution National Sub-committee met on 9th November.
2. The ERDF MA presented a progress update. Key points included:
 - The OP modification had been submitted; a positive impact on challenging priorities was anticipated. [Update: the OP modification has now been adopted by the Commission.]
 - Focus of targets is now solely on Performance Framework targets to ensure approach that provides Value for Money.
 - The MA continues to have no concerns over meeting the 2018 N+3 target.
 - There are some areas of the programme where the current data suggests that meeting the 2018 Performance Framework targets may be challenging. The MA is taking actions to address these.
 - The MA continues to support partners to submit claims in a timely way; encouragingly, the rate of claims per month is increasing.
 - The MA plans to continue to launch calls. However, following the July calls it is unlikely that any future calls can contribute to the 2018 Performance Framework targets.
3. The MA had completed an exercise to assess the scope to carry out trading of priority axis allocations between LEP areas. No direct trades were identified; however, there are some possible trades i.e. where LEP areas seek to move funding but the respective priority axes involved do not quite meet both LEP areas' preferences. GDTs have been asked to hold discussions with the relevant LEP areas during November.
4. As set out at the last meeting, an exercise was undertaken to establish the LEP area outputs resulting from the revised allocations and amended targets in the modified OP. A methodology was proposed that aimed to ensure that LEP area output targets were more closely aligned with LEP area activity. Following discussions with colleagues across the MA it was concluded that the proposed methodology was too challenging to implement as it required a breakdown of LEP area finances by Investment Priority and type of expenditure (Grant, FI or Capital).

As such it has been concluded to use the same model to calculate the outputs. However, to try to introduce the flexibility proposed under the previous methodology it has been

concluded that LEP areas will only be given Performance Framework targets. This will mean that for priority axes where the Performance Framework indicator is not linked to a specific Investment Priority i.e. PA3 and PA4 there can be flexibility as to which Investment Priorities are invested in. It is anticipated that this approach will help ensure alignment with domestic priorities and Value for Money as well as having a positive impact on meeting Performance Framework targets.

5. The ESF MA presented a progress update. Key points included:
 - Current ESF commitment is £1.33bn;
 - 98 applications under appraisal valued at £138m;
 - All Categories of Region on track to meet 2018 performance reserve;
 - N+3 on track for More Developed and Transition. Less Developed will be on target following allocation adjustment;
 - Outputs are at 49% of the final target;
 - Some subgroups with lower performance are being addressed through future calls;
 - Results expected to exceed most targets with good ratio of output to results;
 - Good progress is being made at LEP level with some exceptions where there have been difficulties securing match funding due to missed opt-in opportunities. The MA is working with these areas to secure non-public funding, eg SME;
 - Three claims have been submitted to the Commission;
 - 68,000 participants have been helped so far; a massive achievement early in the programme;
 - Additional YEI calls have been launched but scope to do more is limited due to spend deadline of end of 2018.
6. Sub-committee members raised concerns around Building Better Opportunities, observing inconsistent approaches to delivery in different parts of the country, including regarding payments made to sub-contractors. A member offered to provide the ESF MA with information.
7. The ERDF MA noted that by the February sub-committee meeting there should be more certainty around the post-March 2019 picture so the group can discuss how that affects future calls. Members also requested a discussion around ERDF and ESF match funding at the next meeting.

Smart Specialisation Sub-Committee

Membership

- | | | |
|----------------------------------------|--------------------------------------------------------|------------------------------------------------------|
| • Paul Drabwell (Chair)
BEIS | • Prof Stephen Roper
Warwick Business School | • Prof Joe Sweeney
Huddersfield University |
| • Tricia Allen
DCLG | • Prof Roy Sandbach
Newcastle University | • Jane Elliott
ESRC |
| • Nicholas French (TBC)
BEIS | • Gillian Docherty
The Data Lab | • Prof John Goddard
Newcastle University |
| • Jen Rae
NESTA | • Andrew Carter
Centre for Cities | |

1. The sub-committee's next meeting is on Thursday 7 December. The sub-committee will receive updates on:
 - Science and Innovation Audits
 - ERDF programme delivery
 - Industrial Strategy white paper – key updates on place and innovation themes.Substantive discussion will focus on:
 - **Data** – focusing on the work of the Smart Specialisation Hub
 - UK Shared Prosperity Fund policy development
2. The Smart Specialisation Hub continues to draw on data across LEPs to provide greater understanding of the unique strengths of regional research and innovation infrastructure. In particular, the Hub has been engaging in Science and Innovation Audits, of which the third wave was launched in October. Twelve audits will be taken forward in this third wave examining science and innovation strengths in key fields such as space, nuclear energy and precision medicine. Across the three waves, audits cover most parts of the UK.
3. BEIS will be commencing a stocktake of Science and Innovation Audits and has invited the Smart Specialisation Advisory Group and the Hub to a stakeholder event which will be seeking views on impact to date and will inform policy options on SIAs going forward.
4. BEIS are continuing to provide policy and analytical input to inform the high level discussions on the objectives of the UK Shared Prosperity Fund model – highlighting the role of innovation funding in economic productivity, and the Smart Specialisation approach as a framework for informing ERDF innovation interventions.
5. We will be setting a further date for the sub-committee in the first half of 2018 to consider how smart specialisation policy might need to be adapted to take account of the changing context including the direction set by the Industrial Strategy.

SME Competitiveness Sub-Committee

Membership

- **Vacancy (Chair)**
Cities & Local Growth
- **Tim Courtney**
BEIS
- **David Morrall**
DCLG
- **John Bennett**
DCLG
- **John Horseman**
DCLG
- **Joe Manning**
Cities & Local Growth
- **Karen Leigh**
Cities & Local Growth
- **Sean McKee**
London Chamber of Commerce
- **Glenn Collins**
Inst. Chartered Accountants
- **Allie Rennison**
Institute of Directors
- **Dominic Williams**
Fed'n of Small Businesses
- **Thomas Parry**
Forum of Private Business
- **Lee Hopley**
Engineering Employers' Fed
- **Richard Kendall**
Humber LEP
- **Clive Lewis**
Inst. Chartered Accountants in England & Wales
- **John Goodman**
Co-operatives UK
- **Becky Hood**
Cornwall Council
- **Dawn Whiteley**
National Enterprise Network
- **Ruth Lowbridge**
Sector Skills for Enterprise
- **Louise Bennett**
Chambers of Commerce
- **Mike Spicer**
Chambers of Commerce

1. The sub-committee held its fourth meeting on 16 March 2017. It will schedule another meeting within the coming months.

Sustainable Growth and Development Sub-Committee

Membership

- | | | |
|-------------------------------------------------------|--------------------------------------------------------------|------------------------------------------------------------------------------------|
| • Patrick Allcorn (Chair)
BEIS | • David Read
DCLG | • John Osborne
DCLG |
| • Mark Joslyn
DCLG | • Ben Plummer
DCLG | • Meg Patel
Defra |
| • Duncan Carnie
DWP | • Graeme Kerr
Natural England | • Bill Edrich
Bristol City Council |
| • Paul Nolan
Mersey Forest | • Alice Larkin
Tyndall Centre | • Aled Jones
Anglia Ruskin University |
| • Glenn Caplin
Cornwall Council | • Chris Saville
Environment Agency | • Phil Larkin
National Trust |
| • Mark Atherton
New Economy,
Manchester | • Roger Mortlock
Gloucestershire Wildlife
Trust | • Paul Bourgeois
Greater Cambridgeshire
& Greater Peterborough
LEP |
| • Richard Powell OBE
Chair, Wild Anglia CIC | • Iva Figueredo
Greater London Authority | |

1. The sub-committee met on 26 September 2017.
2. A key action from the previous meeting was the review of the greenhouse gas saving methodology which was aimed at supporting appraisers and contract managers. A full discussion took place around the structure and application of such a methodology and that it would have to be rigorous & academically sound to support its use. The meeting was provided with an overview of progress in delivering Priorities, 4, 5 & 6 and the work that had been undertaken as part of the Programme modification. This included changes to the PA4 Guidance and the amendment to the Priority 5 output enabling business to be captured that are impacted by flooding as well as those that are actually flooded.
3. The meeting had a presentation from Ben Pledger on the UK Shared Prosperity Fund, which was very well received resulting in a range of comments ranging from whether a funding gap may emerge between Brexit and the roll out of the Prosperity Fund. Other concerns discussed focused on the contribution of green infrastructure as part of a growth strategy and whether legislation is needed to embed sustainability as a mandatory requirement as with the Cross Cutting theme in ERDF.

The next sub-committee meeting will be held in January 2018.

Sustainable Urban Development and Urban Agenda Sub-Committee

Membership

- | | | |
|--------------------------------------------------|---------------------------------------------------------|-------------------------------------------------|
| • David Morrall (Chair)
DCLG | • Alison Gordon
Manchester City Council | • Huw Jenkins
Liverpool City Region |
| • Iain Derrick
DCLG | • Sam Lucas
DCLG | • Robin McDowell
Bristol City Council |
| • Alex Conway
Greater London Authority | • Felix Kumi-Ampofo
Sheffield City Region | • Peggy Haywood
DCLG |
| • Heather Waddington
Leeds City Region | • Sharon Millar
Scottish Government | • David Anderson
Scottish Government |
| • Jem Woolley
Nottingham City Council | • Lloyd Broad
Greater Birmingham and Solihull | • Teresa Kirby
Newcastle City Region |
| • Kathryn Dews
DCLG | • Badder Alfaresi
DCLG | |

1. There has been progress in the process of designating Intermediate Bodies (IB) to deliver Sustainable Urban Development (SUD) through 2017. So far, eight IBs have been designated:-
 - Greater London Authority
 - West Yorkshire Combined Authority
 - Nottingham City Council
 - Birmingham City Council
 - Liverpool City Region Combined Authority
 - Greater Manchester Combined Authority
 - Sheffield City Council
 - Newcastle City Council
2. Of the seven devolved IBs, excluding the GLA, six have launched calls for projects for a total value of £87,700,000 ERDF. The calls cover a range of Investment Priorities including research development and innovation; low carbon; environmental protection; ICT and Broadband; SME competitiveness; and climate change.
3. The next meeting of the SUD Sub-Committee will be held on 19 January 2018 and will mainly comprise updates on implementation progress, in particular calls for projects and any commitments and spend so far, EU-wide urban policy issues and the latest position on domestic urban policy.