

ESI Funds Growth Programme Board

Performance and Dispute Resolution National Sub-Committee Membership

Purpose:

To review the Performance and Dispute Resolution NSC membership, ensuring the GPB is content with representation

Recommendations:

The GPB

- a) note the current function and membership (including recent changes) of the PDRNSC
- b) discuss views on further representation, and;
- c) subsequently agree a position with regard to the PDRNSC membership

Background

1. This is an important stage in delivering both the European Regional Development Fund and European Social Fund Operational Programmes, and the PDRNSC is a key mechanism in supporting effective performance of both.
2. Changes to the Terms of Reference and membership for all National Sub-Committees were proposed and confirmed by the Growth Programme Board in March 2018. However, given the important role of the PDRNSC and the additional responsibilities it is taking on (e.g. advising on ERDF and ESF Reserve Funds), this paper provides an opportunity for the Growth Programme Board to review the membership of the PDRNSC and ensure it is content that membership continues to reflect its remit and responsibilities.

Current Position

3. As laid out in the current NSC Terms of Reference, the remit of PDRNSC is as follows:
 - a) Monitor and assess spend and performance across ERDF and ESF spend, including through Co-financing organisations, undertaking regular reviews to assess spend, commitment levels, N+3 and impact across GDTs in order to be able to advise the GPB and MAs as needed
 - b) Report findings and outcomes to the GPB, with recommendations
 - c) Assess trends and risks – ensuring that LEP areas ESI Funds Sub-committees are asked to account for anomalies as appropriate - and advise how these might be managed. Highlight those of a sufficiently high level to the GPB and, by exception, ask LEP areas to present to the GPB where risks continue
 - d) Consider and assess programme/project related dispute cases raised by LEP areas and GDTs to advise the GPB and MAs as needed

- e) Consider broad trends in key indicators, including results, output indicators and aggregated spending/outcome totals, for both the relevant thematic objectives and overall national objectives and targets, and take a broad view across the whole growth programme in order to advise the GPB on their views of how the programme as a whole is performing or meeting its national targets
- f) Include, within its monitoring and assessment functions, opt-in organisations
- g) Advise how risks and trends are managed and communicated
- h) Advise how best practice arising from good performance is communicated to local partners and other stakeholders, ensuring activity is linked to relevant communication plans
- i) Consider local dispute resolution of performance related issues in accordance with the Performance Management Strategy Guidance

4. As part of its work the PDRNSC also has a central role in the development of the Reserve Funds. From an ERDF perspective the PDRNSC is also likely to have a role in reviewing Reserve Fund calls.

5. The current membership of the PDRNSC is as follows:

Name	Organisation	Sector Representation
Zainab Agha	Chair, MHCLG	ERDF
Sylvain Alem	Secretariat, MHCLG	ERDF
Simon Jones	MHCLG	ERDF
David Morrall	MHCLG	ERDF
David Malpass	MHCLG	ERDF
Jackie Tinkler	DWP	ESF
Steve Spendlove	DWP	ESF
Justin Martin	Defra	EAFRD
Richard Davies	BEIS	UK-wide Structural Funds
Guus Muijzers	DG Regio, European Commission	DG Regio
James Newman	Sheffield City Region LEP	Transition Region
Mary-Louise Harrison	Leicester & Leicestershire LEP	More Developed
Emily Kent	Cornwall Council	Less Developed Region
Paul Green	Local Government Association	Local Government
Stuart Scott	Greater London Authority	GLA
Heather Waddington	Leeds City Region LEP	Core Cities
Jo Lappin	Cumbria LEP	LEP Network
Richard Powell	Wild Anglia	Local Nature Partnerships
Keith Harrison	LEADER	LEADER
David Pratt	Teeside University	Higher Education
John Hunt	London South East Colleges	Further Education
Helen Millne	The Women's Organisation	Third Sector (shared)
Carol Botten	Voluntary Organisations' Network North East	

6. The LEP Network and further Third Sector seats are recent additions to capture additional views. The current membership contains 10 central government seats (representing 3 MAs and the UK wide structural funds policy lead), 9 placed based seats (including all categories of region and core cities), 2 education seats, 1 European Commission seat and 1 Third Sector seat.

Issues for consideration on changes to membership

7. With regards to the membership of all NSCs, the ToR states that *“organisations not represented on the GPB can therefore be represented on the National Sub-committees”* and *“sub-committee membership should be based on the principle of expertise, not seniority”*. Therefore, membership of the PDRNSC should be considered by the Growth Programme Board against these requirements and the remit laid out above in paragraph 3.
8. Further to the discussion at the December 2018 Growth Programme Board, members of the board may wish to consider, on the principle of expertise, the merits of the following suggestions for further representation:
 - Mayoral Combined Authorities/Combined Authorities
To reflect the role MCAs/CAs now play in place based policy
 - Other sectors
To reflect areas where the board believe additional expertise can be added. This may be particularly important in relation to reviewing ERDF Reserve Fund call.
9. The board should note that there is scope for experts to attend on an ad hoc basis and do not need a permanent seat on the PDRNSC to participate in meetings.

Next Steps

10. Should the board be content with the current membership then the PDR will continue to function, retaining the ability to add additional expertise as and when the NSC requires.
11. Should the board agree that additional seats should be required as a result of this discussion, then the GPB Secretariat will work with the PDRNSC Secretariat and Chair to consult the relevant sectors/organisations identified and ask them to agree and nominate a representative to take a seat at the PDRNSC moving forward.

Owen Murray, EPLGD, MHCLG
13 March 2019

ANNEX A – National Sub-Committee Terms of Reference (revised March 2018)

Terms of Reference for the Growth Programme Board's National Sub-committees (European Structural and Investment Funds 2014 -2020)

National Sub-committees Terms of Reference

1. These Terms of Reference (ToR) revise and replace the version approved in December 2015 [ESIF-GN-2-011, Version 1). They set out the core elements describing how a National Sub-committee should function. These terms of reference are subject to approval by the Growth Programme Board (GPB) and may be subject to a review by the Board in 2019.
2. National Sub-committees are responsible for providing specialist advice and support to the GPB in its role to oversee that the European Structural and Investment Funds Growth Programme's policy and operational objectives are delivered successfully.
3. A National Sub-committee may be closed by the Growth Programme Board where it is no longer felt to be needed.

A. Governance

4. The Growth Programme Board (GPB) is the Programme Monitoring Committee (PMC) for both the ERDF and the ESF Operational Programmes in England.
5. National Sub-committees report directly to the GPB. The GPB will also be supported by a number of local sub-committees (LEP area ESI Funds Sub-committees). These local sub-committees will also report directly to the GPB but, where relevant, may be asked to report via the National Sub-committees as remitted by the GPB.
6. National sub-committees will not substitute for or take on the tasks and functions of the GPB or Managing Authorities. The GPB is responsible for all decisions on its own advice, approvals or opinions given according to its functions set out in Regulations¹, whether or not advice was given by its sub-committees.

B. Purpose

7. National Sub-committees are established by the GPB to have an advisory role to the GPB and/or Managing Authorities. They will be responsible for considering evolving national policy, including any invitations from Government for informal views on post-EU growth policy. They will consider the operational context, interaction between the ESI Funds depending on their individual remit, and their relationship with other ESI Funds sub-committees.

¹ Regulations refer to the relevant Articles within the European Commission's Common Provision Regulations (EU) No 1303/2013 and the specific regulations for ERDF and ESF. Also to any update on these Regulations.

8. The purpose of all National Sub-committees is, according to their remit, to:

- Review relevant national policy or operational circumstances, particularly Government policies, socio-economic factors and EU regulatory practice in relation to ERDF and ESF Operational Programmes and local investments and provide advice to the GPB and/or Managing Authorities within agreed remits.
- Seek to influence relevant national policy to 'design in' alignment with the ESI Funds Growth Programme where appropriate and particularly seeking to design-in relevant match funding opportunities. Policy sub-committees will feed back to central policy colleagues on lessons learnt and good practice from implementation of the Growth Programme at local level.
- Advise the GPB and thereby LEP area ESI Funds Sub-committees, helping them to exploit synergies with wider national policies and funding opportunities, and to ensure alignment with national policy *and* avoid conflict with and duplication of existing policies and initiatives.
- Other National Sub-committees might be pointed towards particular issues by the Performance and Dispute Resolution sub-committee. National Sub-committees will use their expertise to try to work out the reasons behind any performance issues, advising the Performance and Dispute Resolution sub-committee (which is responsible for overall performance monitoring and management advice) or GPB directly as requested.
- Consider, advise and, as appropriate, broker opportunities for working across LEP areas, factoring in trends, commonalities and alignment with national policies.
- Consider and advise the Growth Programme Board on outline business cases for ERDF "major" projects (as defined in the EU Regulations).
- Consider and advise on any systemic issues relating to implementation of the ESI Funds Growth Programme for the relevant thematic objectives.
- Identify and promote examples of good and potential best practice
- Consider and advise on EU Regulations practice, precedent and decisions which have wider application.
- Take account of policy and/or operational issues identified through members' networks and stakeholders, or issues referred to it by the GPB or other National Sub-committees.
- Provide reports as commissioned by the GPB and/or according to an agreed schedule and focus in relation to specific Growth Programme priorities, targets and milestones.
- Bring risks and issues to the attention of the relevant National Sub-committee or full GPB as appropriate, and in a timely way; these should be brought to the attention of the GPB Secretariat in their first instance.
- National Sub-committees will not scrutinise individual projects. Managing Authorities or the GPB may ask the Sub-committee for expert advice on a specific national policy or programme.
- National Sub-committees may be remitted by the GPB to provide advice to Managing Authorities.

C. Role of each National Sub-committee

9. Annex A of this document sets out the remit of each National Sub-committee. The Chair of any National Sub-committee may propose change(s) to its remit. Any changes proposed to its remit will need to be agreed by the GPB.

D. Membership

10. National Sub-committees will be chaired by the most relevant lead. For policy sub-committees, this may be the lead government official for the policy area. The deputy chair will be from the relevant Managing Authority, except where such Managing Authority is the sub-committee chair. A relevant Managing Authority or BEIS will provide the Secretariat, working closely with the GPB secretariat to understand the protocols and procedures the Sub-committee must adhere to in supporting the GPB.
11. Membership must include relevant HM Government and Managing Authority nominated leads, but does not have to be drawn from or follow the proportions of representation at the full GPB. Organisations not represented on the GPB can therefore be represented on the National Sub-committees. Papers will be shared with the European Commission, who will be invited to attend Sub-committee meetings, as relevant. Sub-committee membership should be based on the principle of expertise, not seniority.

E. Meeting Arrangements

12. National Sub-committees should meet as regularly as needed.
13. Meeting dates for each calendar year will be agreed in advance. The Chair may ask for extra-ordinary meetings when a matter is urgent.
14. Sub-committees may need to deal with some issues by correspondence, to discharge them quickly.
15. All meetings and decisions will be minuted. Minutes will normally be circulated no later than 10 working days after a meeting for approval by members. 'No response' will be taken as endorsement. Minutes will be agreed by the Sub-committee as a confirmation of their being a true record of the meeting. If the GPB considers that the Sub-committee has stepped outside of its remit, it may challenge the minutes and expect a response.
16. National Sub-committees will operate in accordance with the procedures and protocols laid out by the Growth Programme Board and its secretariat. In particular, members will follow the same principles and protocols as GPB members in terms of a code of conduct and declaration of their interests.

Remit of National Sub-committees

Policy sub-committees

Smart Specialisation (innovation)	<ul style="list-style-type: none"> • Advise on the extent to which opportunities to build synergies with other EU funds, especially Horizon 2020, have added value to Smart Specialisation in England • Provide specialist advice and expertise on Smart Specialisation and other Research, Development and Innovation issues • Review implementation of the Smart Specialisation Strategy for England and advise the Managing Authority in overseeing the work of the Smart Specialisation Hub. • Undertake analysis into specific thematic/policy related issues on behalf of the GPB, and report findings back to the GPB.
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Small and Medium Sized Enterprise Competitiveness (including ICT and Financial Instruments)	<ul style="list-style-type: none"> • Support the GPB through providing specialist advice and expertise on SME related issues • Undertake analysis into specific thematic/policy related issues on behalf of the GPB, and report findings back to the GPB • Feed policy specific advice/views at a national level in to the GPB • Monitor and assess FI spend and performance across ERDF programmes in order to advise the MA on issues and potential solutions • Make recommendations to the GPB and Performance & Dispute Resolution Sub-committee on measures to improve performance • Monitor and assess overall spend and performance on SME competitiveness across the ESI Funds (including financial instruments) in order to advise the Managing Authority on issues and potential solutions. • Advise the GPB on national and local policies impacting on SMEs or delivery of the SME competitiveness aspects of the ESI Funds Growth Programme. Consider risks and opportunities for the ESI Funds Growth Programme arising from national and local SME competitiveness policies. • Identify best practice in relation to investment of ESI Funds in SME competitiveness projects.
Sustainable Growth and Development (including low carbon, climate change, the environment and sustainable transport)	<ul style="list-style-type: none"> • Responsible for providing the GPB with specialist advice and expertise on Low Carbon, and Sustainability related issues • Undertake analysis into specific thematic/policy related issues on behalf of the GPB, and report findings back to the GPB • Feed policy specific advice/views at a national level in to the GPB • Make recommendations to the GPB and Performance & Dispute Resolution sub-committee on measures to improve the overall impact of spend on sustainable development
Employment, Skills and Social Inclusion (including the impact of CLLD and Co-financing Organisations)	<ul style="list-style-type: none"> • Provide the GPB with specialist advice and expertise on related issues • Undertake analysis into specific thematic/policy related issues on behalf of the GPB, and report findings back to the GPB • Feed policy specific advice/views at a national level in to the GPB • Make recommendations to the GPB and Performance & Dispute Resolution sub-committee on measures to improve the impact of Co-financing provision • Make recommendations to the GPB and MA on measures to improve the impact of CLLD provision
Sustainable Urban Development	<ul style="list-style-type: none"> • Provide the MA and GPB with specialist advice and expertise on Sustainable Urban Development • Undertake analysis into specific SUD related issues on behalf of the GPB as required, and report findings back to the GPB, • Recommend actions to the MA on aspects of SUD as needed

Operational Delivery sub-committees

Performance and Dispute Resolution	<ul style="list-style-type: none"> • Monitor and assess spend and performance across ERDF and ESF spend, including through Co-financing organisations, undertaking regular reviews to assess spend, commitment levels, N+3 and impact across GDTs in order to be able to advise the GPB and MAs as needed
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	<ul style="list-style-type: none"> • Report findings and outcomes to the GPB, with recommendations • Assess trends and risks – ensuring that LEP areas ESI Funds Sub-committees are asked to account for anomalies as appropriate - and advise how these might be managed. Highlight those of a sufficiently high level to the GPB and, by exception, ask LEP areas to present to the GPB where risks continue. • Consider and assess programme/project related dispute cases raised by LEP areas and GDTs to advise the GPB and MAs as needed • Consider broad trends in key indicators, including results, output indicators and aggregated spending/outcome totals, for both the relevant thematic objectives and overall national objectives and targets, and take a broad view across the whole growth programme in order to advise the GPB on their views of how the programme as a whole is performing or meeting its national targets. • Include, within its monitoring and assessment functions, opt-in organisations • Advise how risks and trends are managed and communicated • Advise how best practice arising from good performance is communicated to local partners and other stakeholders, ensuring activity is linked to relevant communication plans • Consider local dispute resolution of performance related issues in accordance with the Performance Management Strategy Guidance
Evaluation	<ul style="list-style-type: none"> • Advise on ERDF and ESF evaluations undertaken as part of the Evaluation Strategy developed by the MAs • Contribute to evaluation reports developed by the MAs • Provide advice to the GPB in terms of their approval of evaluation reports prior to the submission to GPB for final approval
Equality and Diversity	<ul style="list-style-type: none"> • Monitor the application and implementation of equalities principles across ERDF and ESF programmes in order to advise the GPB and MAs on risks and opportunities identified • Provide advice and recommendations to the GPB on equality related issues within European programmes • Undertake analysis into specific thematic/policy/operational related issues on behalf of the GPB as required, and report findings back to the GPB
Communications	<ul style="list-style-type: none"> • Advise the GPB on ERDF and ESF communications related issues and activity • Promote best practice to projects • Evaluate the application and implementation of the Communication Strategy • Conduct regular reviews of the Communications Strategy and put recommendations forward to the GPB • Support/drive the delivery of the Annual Communications Activity Plans