



Minutes of the Growth Programme Board meeting

11:00 Wednesday 20 March 2019

Conference Room 5, Marsham Street, London

Agenda

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| 1. Welcome and introduction | 5. Performance & Dispute Resolution |
| 2. Progress on Programmes* | National Sub-Committee |
| 3. Updated ESF Scoring Framework* | Membership* |
| 4. Revised Terms of Reference* | 6. Minutes of December meeting and
progress on actions |
| | 7. Items for information* |

*Agenda items marked * were accompanied
by Board papers*

Minutes

Item 1: Welcome and introduction

1. **Julia Sweeney** welcomed substitute members **Emma Friend** (Defra), **Lindsey Hall** (Real Ideas Organisation), **Paul Green** (Local Government Association), **Alison Gordon** (Greater Manchester Combined Authority), **Clive Winters** (Universities) and **Krishma Sawami** (MHCLG) who will be providing secretariat support to this board.
2. No conflicts of interests were declared.

Item 2: Progress on Programmes

European Regional Development Fund

3. David Malpass presented the progress report on ERDF delivery. The contracting figure as of 31 December 2018 is £1,560million (606 projects), an increase of 34 projects since 30 September 2018. At 31 December 2018 there are 609 applications being assessed for £1,151million, including one Financial Instrument, this is a 70%

increase from the last quarter due to recent calls. Contracted projects and those in the pipeline represent 84% of the programme budget.

4. For the performance framework expenditure targets, PA1, PA2, PA3 and PA4 have actuals above 65% except for PA4 transition regions. PA5 all category of region (CoR), PA6 all CoR except Less Developed Region (LDR), and PA8 all CoR are below the 65% threshold. The PA7 output claim is currently being processed.
5. **James Newman** queried how the forecasted 30% discounting level was reached. **David Malpass** explained the figure is based on experience to date and that within the pipeline figures there is already some discounting incorporated.
6. **James Newman** commented that MHCLG must be getting close to knowing the value of reserve fund and asked whether there is enough money in PA9 (Technical Assistance) to help deliver the reserve fund? **David Malpass** responded that not yet certain about values, but careful planning continues and there is a significant PA9 amount left.
7. **James Newman** stated that the Financial Instruments noted within the paper are relatively small at £11 million and asked why they are set at that level. **David Malpass** explained that the Financial Instruments for the South East are dependent on how large the carbon projects are. He advised that they have been carefully monitoring and considering how much match funding is available.
8. **Helen Millne** stated that the ERDF diversity information and data made available to the Equality and Diversity National Sub-committee was good news but highlighted there was still room for further improvement as the data shows who benefits from funding, but doesn't yet provide equality information about the owners of business and organisations applying for funding, and in the longer term this would be helpful to capture to help inform where future funding is targeted.

European Social Fund

9. **Steve Spendlove** presented the progress report on ESF delivery. The Managing Authority (MA) recapped how they focused resource on prioritising the achievement of the 2018 N+3 target. IPA9b was submitted in December 2018 with a value of €509m (€290m of which was EU funding). This resulted in over achieving the 2018 N+3 target by approximately €37m (4%), which in-line with the MA's forecasting.
10. The MA is undertaking a "lessons learned" exercise. This exercise will consider systems and processes, and how grant recipient claim profiles can be better managed. The MA ensured key business processes were maintained, in particular work to publish calls and process appraisals. This maintained momentum in the Programme, resulting in ESF commitment rising to £1.65 billion (55.43% of the total

ESF allocation). The MA is now working with LEP areas to identify potential to commit remaining notional allocations.

11. Additionally, based upon claims received, both the participant and financial aspects of the Performance Framework target are set to be achieved in all Categories of Region (CoR).
12. Following an audit visit in November 2017, the Commission decided in January 2019 to “interrupt” the payment deadline to DWP. We are currently working through the outstanding recommendations to ensure that we can demonstrate that our systems are compliant with the EU Regulations. The implications of this, and proposed remedies are detailed further in the paper presented under Agenda Item 3.
13. **Keith Cowell** praised DWP for their progress, as well as the content and layout of the update paper.
14. **Carol Botten** asked how DWP plan on prioritising LEP area calls and making sure they have a fair chance to send out their applications? **Catherine Blair** outlined how DWP are taking a pragmatic approach and the aim is to avoid any long delays in responses. **Catherine Blair** said that they want to know what calls are being planned and they want to prioritise accordingly and if a call falls behind the prioritisation table it will still happen, there will be no cut-off date.
15. **Carol Botten** asked if DWP had any progress with LEP areas coming forward, stating they were unlikely to commit their allocations. **Catherine Blair** responded by saying no, but there was a need to have a deadline for LEPs to indicate this in order to move forward.
16. **Dr Clive Winters** asked about the raise in minimum call value, as in Coventry and Yorkshire the minimum value was six times greater which seems a bit high for ESF. **Steve Spendlove** explained that this is where that flex comes in, it is important to set out the need to respond to cases individually.
17. **Alison Gordon** raised concerns about the length of the appraisal process on behalf of LEP colleagues. **Catherine Blair** stated that she reviews applications received and their allocation status on a fortnightly basis. The number of applications has accelerated, but at the same time the number of unallocated applications has significantly reduced. She explained that some of the delays come from applicants not submitting all of the necessary information. However, in order to reduce delays and be fair to other applicants, they need to be stricter on deadlines for the missing information required. She stressed the importance to strike a balance between giving applicants an opportunity to provide information and being fair to other applicants who have provided the necessary documentation.

18. **Carol Botten** asked how good practice is being shared between LEP areas with issues like minimum call values? **Catherine Blair** said she will find out and feedback.

ACTION 2003/01 - DWP to clarify how good practice is shared between LEP areas

19. **Lindsey Hall** asked whether the backlog is being addressed and mentioned Cornwall's concerns about late payments, late appraisals and long performance windows as it is affecting their progress. **Catherine Blair** explained that she was not aware of Cornwall's issues and will enquire further about it.

ACTION 2003/02- DWP to respond to Cornwall's concerns about late payments.

20. **James Newman** expressed a plea on the exchange rate, there is a 5% difference between ERDF and ESF. There is a discounting rate of 87% which is a different to the rate of 30% for ERDF and asked what was behind that difference? **Catherine Blair** said that the forecast found assumptions to be broad and accurate, same assumption.
21. **Paul Green** asked if the lessons learned exercise would focus on ESF as a whole and include both positives and negatives. Additionally, **Paul Green** enquired is the equality information would be available at LEP and sub LEP level. **Steve Spendlove** responded saying that as part of the lessons learned exercise every element that needs to be reviewed is being looked at. For the equality data, **Steve Spendlove** advised that he clarify and report back.

ACTION: 2003/03 - DWP to confirm equality data breakdown availability.

22. **Catherine Blair** responded by stating that they are on top of the problems and catching up. She advised that the goal is to assess within 10 days. In terms of reporting they try to coordinate - appraisals - looking at commitments - if it fits and meets the criteria - can relay that worry with reserve fund. We've got 20 unassigned at the moment -- latest is on Feb - on top of prob - desire to assign within 10 days
23. **Alex Conway** noted that the co-financing update references national and not local ones. Alex asked if this was something Steve maybe could check for next GPB. **Steve Spendlove** confirmed that he would take that forward.

ACTION 2003/04 - DWP to include local updates in the next co-financing update

European Agricultural Fund for Rural Development

24. **Emma Friend** presented by the report on EAFRD delivery progress was. Under the RDPE Growth Programme £82m of grant had been awarded to 482 projects of this £82m, £24m has been paid out, creating 295 FTE jobs. The scheme is on track to meet its job creation target. The RPA have now processed all 1,864 Expressions of Interest received from the 2017 calls and local ESIF Sub-Committees have commented on the local fit of projects. So far, invitations to submit a Full Application have been issued to 1,151 applicants for funding totalling £218m. From these, 602 projects have submitted applications for funding of £113m, with 392 projects so far securing grant offers worth £72m. It is expected that the EAFRD Growth Programme calls which closed at the end of May 2018 will spend all the £165m offered. In addition, 18 contracts for funding totalling just over £73.5m have been awarded under the £75m Rural Broadband Infrastructure offer. Defra and the RPA are continuing to consider options for utilising any EAFRD Growth Programme funding remaining once all the projects arising from the 2017 offers have been contracted.
25. **Alison Gordon** asked if there are any intentions to think about reserve fund models. **James Newman** also enquired about Reserve Funds. **Emma Friend** stated that there have been very early discussions about reserve funds and further detail will be provided in due course.

European Maritime and Fisheries Fund

26. The update paper was noted by the board and there were no further comments or questions.

Item 3: Updated ESF Scoring Framework

27. **Catherine Blair** outlined the proposed changes to the ESF Scoring Framework. The changes are as follows: update the ESF Scoring Framework to reflect the move to a single-stage application process and to reflect that applications can be rejected solely based on the Devolved Intermediate Body's decision on the follow strategic Fit Core Selection Criteria. The wording has been added to the ESF Scoring Framework, explain use in the single stage process as well as reflecting that there is still a residual two-stage application to be complete. There is also a section to explain the role of the devolved Intermediate Body in outline assessments and/or full appraisals. The wording has been 'future proofed' to remove references to 'forms', ready for implementation of Online Applications and Appraisals in April 2019.
28. **James Newman** wanted to clarify the position with Intermediate Bodies (IBs) regarding who takes the final decision in applications - IBs or the MA? **Catherine Blair** explained IBs cannot decide on a full application as only a few aspects relate to devolved elements. If applications fail, they cannot proceed to a full funding agreement (Devolved). Both the MA and IB need to say yes on their respective areas.

29. **Alex Conway** stated that programme interruptions were not unusual and from his recollection normally based on A125 or A127 audit issues and the points raised seem relatively minor. **Catherine Blair** that there were 18 findings and recommendations and the paper addresses these for the board but agreed with Alex's point.
30. **Julia Sweeney** asked the board if they were content to approve the changes, they agreed.

Item 4: Revised Terms of Reference

31. **Owen Murray** presented the revised Terms of Reference. Following the full revisions of the GPB and local ESIF ToRs in 2017 and NSC ToRs in 2018, the proposed revisions are minor and stem from a draft anti-fraud systems report, which highlighted minor inconsistencies with regards to the recording of lack of declaration of interests and upkeep of registers of interest. The proposed changes further strengthen and clarify the requirements of the Growth Programme Board, National Sub-committees and local ESIF committees.
32. Moving forward the revisions will be incorporated into the ToRs and published on gov.uk. Action notes will be sent to the chairs of each committee to ensure the requirements on recording declarations of interests adhered to.
33. **Clive Winters** asks will you be recording substitutes Conflict of interest. **Owen Murray** advised he would look to incorporate guidance on this issue.
34. The board approved the changes suggested within the paper.

Item 5: Performance and Dispute Resolution National Sub-Committee Membership

35. **Owen Murray** presented a paper following the discussion at the December 2018 Growth Programme Board with regards to the PDRNSC membership. The paper provided an overview of the function of the PDRNSC, and possible additions to the membership, particularly looking at Mayoral Combined Authorities (MCAs), given their unique democratic accountability.
36. **Alison Gordon** stated she would be supportive of a seat at PDRNSC for MCAs.
37. **James Newman** stated his support, but expected any MCA representative to be someone who has sufficient knowledge of local ESIF sub-committees, due to the resolution role of the PDRNSC.
38. **Julia Sweeney** asked how a single representative for all MCAs would be sourced. **Paul Green** responded saying there is an informal MCA chief executives network and that he could route any request to that group on behalf of the GPB.

39. **Julia Sweeney** asks the board if they are content to make the changes to the membership. Board members agreed that MCAs should have a seat at the PDRNSC and that a letter asking for a nominated representative would be sent to the MCA network.

ACTION 2003/05 – MHCLG to write to MCAs requesting a nominated representative to sit on the PDRNSC.

ACTION 2003/06 – Paul Green to forward request to MCA network on behalf of the GPB

Item 6: Minutes of December meeting and progress on Actions

40. **Owen Murray** outlined actions arising from the December.

Item 7: National Sub-Committee Report

41. The Board received and noted the report.

42. The next meeting will be held on 18 June 2019.

Meeting closed: 13:00

Date, time and venue of future meetings

- Tuesday 18 June 2019 11:00 - [15:00] Conference Room 5a & 5b, MHCLG
- Thursday 19 Sept 2019 11:00 - [15:00] Conference Room 5a & 5b, MHCLG

Annex A

List of agreed actions from March 2019 Growth Programme Board meeting

No.	Action	Assigned to:
2003/01	DWP to clarify how good practice is shared between LEP areas	Catherine Blair
2003/02	DWP to respond to Cornwall's concerns about late payments	Catherine Blair
2003/03	DWP to confirm plans for a wider policy piece on ESF	Steve Spendlove
2003/04	DWP to provide include locals' references in the next co-financing update	Steve Spendlove
2003/05	MHCLG to write to MCA	Owen Murray
2003/06	LG to circulate letter to MCA	Paul Green

Annex B

ESI Funds Growth Programme Board meeting 20 March 2019 - Attendees List

Chair:

	Sector/Organisation Representing	Substitute For
Julia Sweeney Director, European Programmes and Local Growth Delivery	MHCLG	

Board Members (full and advisory):

	Sector/Organisation Representing	Substitute For
Carol Botten Deputy CEO, VONNE	Voluntary/Community Sector	
Lindsey Hall Economy, Skills & Culture Cornwall Council	Cornwall and the Isles of Scilly	<i>Emily Kent Cornwall Council</i>
Councillor Albert Bore Birmingham City Council	Local Authorities	
Alison Gordon Greater Manchester Combined Authority	LEPs	<i>Simon Nokes</i>
Clive Winters Pro-Vice-Chancellor Coventry University	Further Education	<i>John Latham</i>
Alex Conway Greater London Authority	Local Authorities	
Richard Powell Chair Wild Anglia	Local Nature Partnerships	
Louise Bennet Chamber of Commerce	Business/Private Sector	
Keith Cowell City of Westminster College	Further Education	
James Newman Sheffield City Region LEP	LEPs	
Augustinus Muijzers DG Regio / European Commission	EC	

Kris Magnus DG Regio / European Commission	EC	
Helen Millne The Women's Organisation	Voluntary/Community Sector	
Jennifer Gunn LEP Network	LEP	
Paul Green Local Government Association	Local Authorities	
Marc Vermyle DG EMPL / European Commission	EC	
Nick French European Directorate	BEIS	
Steve Spendlove ESF Division	DWP	
Catherine Blair ESF Division	DWP	
Emma Friend EAFRD Division	DEFRA	
Andy Churchill Network for Europe	Voluntary/Community Sector	
Minal Patel Head of Centre of Excellence	MHCLG	
Zainab Agha Deputy Director, Policy & Partnerships	MHCLG	
David Malpass Deputy Director, Growth Delivery Network	MHCLG	
David Morrall Head of European Programmes & EU Urban Policy	MHCLG	

Additional Attendees / Observers:

Name	Sector/Organisation	
Swati Chuni European Programmes	MHCLG	Observer
Sylvain Alem European Programmes	MHCLG	Observer
Owen Murray Growth Programme Board Secretariat	MHCLG	Growth Programme Board Secretariat
Krishma Sawami Growth Programme Board Secretariat	MHCLG	Growth Programme Board Secretariat

Apologies:

	Sector/Organisation	<i>Sending a Substitute?</i>
Dr Huw Edwards Thames Valley Berkshire LSC	LEP	No, not on this occasion
Cllr Philip Atkins Leader, Staffordshire County Council	Local Authorities	No, not on this occasion
George Kieffer Vice Chair, South East LEP	LEP	No, not on this occasion
Janet Thornton Vice Chair, Yorkshire Food Farming and Rural Network	Rural Farming Network	No, not on this occasion
Professor John Latham Coventry University	Further Education	Yes, Clive Winters