



**European Union**

European Structural  
and Investment Funds

**2014-20 EUROPEAN STRUCTURAL AND INVESTMENT FUNDS  
GROWTH PROGRAMME FOR ENGLAND**

**ESI FUNDS GROWTH PROGRAMME BOARD  
(Programme Monitoring Committee)**

**Minutes of 16<sup>th</sup> December 2015 meeting**

- 1. Spending Review – *Opportunities & Risks for the ESI Funds Growth Programme***
- 2. Progress on Devolution and Intermediate Bodies**
- 3. Partnership Working Review**
- 4. Progress on programmes**
- 5. Performance Management**
- 6. Structure of future ESF Performance Reports**
- 7. Communications Strategy and 2016 Activity Plan**
- 8. Equalities**
- 9. Evaluation Plan for the 2014-20 ERDF Operational Programme**
- 10. Minutes of the September meeting and progress on actions**
- 11. Forward Look**
- 12. AOB**

**WELCOME AND INTRODUCTIONS**

1. The Chair welcomed the Minister, James Wharton MP, and members to the meeting of the Growth Programme Board (GPB) as the formal Programme Monitoring Committee (PMC) for both the European Regional Development Fund (ERDF) and European Social Fund (ESF).
2. James Wharton MP said that European funds were a complex policy area, but they made a real difference to local areas. He wanted to formally recognise the work and contribution of the LEP area ESI Funds sub-committees and the Growth Programme Board. Their input and engagement continued to have a considerable impact on the successful delivery of the programmes.
3. Apologies for the meeting were noted (see Annex B). The Board welcomed Professor John Latham as the new Higher Education (Universities) representative and Teresa Frith, who would be representing the Further Education sector for the December meeting.
4. Members were asked to declare any interests. Keith Harrison declared an interest in Community Led Local Development (CLLD). John Latham declared an interest as a member of the Board for Innovate UK, the Coventry LEP Board and as chair of the Coventry LEP area ESI Fund Sub-committee.

**Item 1: SPENDING REVIEW**

5. Tim Courtney summarised the key announcements from the Spending Review and Autumn Statement relevant to the ESI Funds Growth Programme, particularly those programmes which had previously been identified as potential sources of match funding. Government had announced a number of measures to support localism, including: a continued commitment to the Local Growth Fund, further funding to Growth Hubs and a series of devolution deals – all of which could provide potential avenues for match funding for local areas. This would, however, need to be balanced against announcements made affecting the Business Growth Service (BSG), UK Trade and Investment (UKTI) and the Skills Funding Agency (SFA).
6. Key points raised in the discussion were:
  - The impact on the allocation of output targets in areas where match funding has disappeared.
  - Changes to the SFA opt-in offer will have significant impact on delivery for local areas post-March 2018.
  - Clarification is required on the implications for skills delivery for those areas where there is not a devolution deal. Officials from DWP will work with BIS and the SFA to develop options for skills that will apply post-2018.
  - Guidance from DWP was required on the transition to a local SFA model.
  - It is anticipated that UKTI's post-Spending Review internal business planning process would be concluded by the beginning of the 2016-17 financial year. The total value of ERDF project applications affected by the closure of the Business Growth Service and potential changes to UKTI is approximately £75m.
  - Within chambers of commerce, delays in signing ERDF funding agreements with UKTI delivery partners could result in business advisors currently in place no longer being in post once the projects had commenced.
  - Clarification will be provided from BIS on when core funding for LEP areas would be confirmed.
  - BIS are open to dialogue on potential opportunities for aligning HM Government innovation policy with ESIF.

**Agreed Actions:**

- **BIS to clarify when core funding will be confirmed for LEP areas**

**Item 2: PROGRESS ON DEVOLUTION AND INTERMEDIATE BODIES**

7. Nick Dexter said that since the September Growth Programme Board meeting, six devolution deals had been announced, which included delegation of European Funds (Sheffield, North East, Tees Valley, Liverpool, West Midlands and Greater Manchester). With the exception of Cornwall Council, it would be the combined authority that would be the Intermediate Body (IB). One issue under consideration is that, in Sheffield and West Midlands, the geographical coverage of the combined authority does not completely align with the LEP area. Partners from the seven areas would be meeting on 17 December to consider the Managing Authority and IB roles and responsibilities under Sustainable Urban Development and devolution arrangements. The offer to IBs would be that they use Managing Authorities' business process, criteria and IT system to ensure the

coherence of the single programme is maintained. It is the Managing Authority that grants IB status and a written agreement between Managing Authorities and the IB will set out the detail of the delegation. Where amendments to the ERDF or ESF Operational Programmes were required these would be discussed in consultation with the European Commission.

8. Key points raised in the discussion were:
- There is a wish to see consistency and fairness applied across areas given IB status - non-metropolitan areas seeking IB status would not necessarily wish to appoint Mayors.
  - Those areas awarded IB status wish to allay fears that this would affect the way their LEP area ESI Funds sub-committees operate.
  - This is an evolutionary process: central government is responding to the wishes and needs of local areas, so the pace is being dictated by partners, rather than government.
  - Partners interested in exploring IB options as part of an existing devolution deal were invited to contact Nick Dexter.

### **Item 3: PARTNERSHIP WORKING REVIEW**

9. Sheena Leng said the Terms of Reference for the Partnership Working Review had been agreed by Ministers and the final version circulated to Growth Programme Board members on 15 December. The first meeting of the Review Steering Group would be held in early January and it would then decide the timings and frequency of its future meetings in order to meet the agreed deadline for completing the Review. In tandem with this, Managing Authorities had developed their engagement plans with partners. Engagement with partners is due to start in the new year following consultation with the Review Steering group in early January.

### **Item 4: PROGRESS ON PROGRAMMES**

#### *i. ESF*

10. Anne Donkin presented the paper on ESF calls progress. Approximately half of the ESF programme had now been committed, although this picture varied across the country and in different Investment Priorities. DWP aim to process full applications from the May 2015 call and approve these before the end of 2015.
11. Key points raised in the discussion were:
- There was a question on whether the Youth Employment Initiative (YEI) applications were meeting the specific YEI allocations that had been requested in areas. DWP confirmed that this was the case for the majority of areas.
  - The amount of ESF Technical Assistance (TA) that had been requested against the national allocation was disappointing. DWP would welcome views from Growth Programme Board members where they were aware the TA Strategy was perceived as a barrier to applicants coming forward with applications.

- It was recommended the TA Advisory Group be asked to consider ways that the transition could be managed from the current position on ESF to where areas would need to be post March 2018, including how to manage the devolution of skills funding.
- Partners felt guidance on ways to resolve issues around ESF policy on Opt-ins in overlap areas would be helpful for some LEP areas.

**Agreed Action:**

- **Technical Assistance Advisory Group to consider ESF Technical Assistance transition points and report back to the Growth Programme Board meeting in March**

*ii. ERDF*

12. David Malpass presented the paper on ERDF calls progress. From the first two rounds of calls, 45% of the total programme allocation had been applied for and significant progress made on the three key priority areas (Innovation, ICT and SME Competitiveness). The first funding agreements are in progress and would be expected in early January. Updates to local ESI Funds Strategies had almost concluded and the Board would receive a report at its next meeting on the finalised Strategies. The Board were given a summary of the measures in place to progress the issues previously considered at the September meeting with respect to Priority Axis 4 (Low Carbon).

13. Key points raised in discussions were:

- DG Regio European Commission members requested that future ERDF reports include a table capturing the call project cycle - from the call to full application along the priority axes and categories of region. Also, that additional narrative is supplied to support the tables in the annex of the report for priority axes 5 to 8.
- Clarification was sought as to the causes of the delays to issuing funding agreements. David Morrall explained that this was on account of the need to ensure the range of output number targets was sufficiently aligned with the local area plans.

14. Partners also received an update on LEP area ESI Fund sub-committees membership:

- Details on LEP area ESI Fund sub-committees membership are available on GOV.UK. Minutes and meeting papers (with the exception of that information which was commercial-in-confidence) would also be available on GOV.UK once the sub-committees had been formally constituted, which is expected by early January.
- The Board highlighted the need for Managing Authority guidance once membership lists were published to ensure procedures are in place for members when they receive lobbying letters

**Agreed Actions:**

- **Growth Programme Board to receive a report on the finalised local ESI Funds Strategies at the March 2016 meeting**

- **The additional information requested by the European Commission is included in future ERDF progress reports**
- **For guidance and procedures to be developed and implemented for LEP area ESI Fund sub-committees to deal with lobbying**

*iii. EAFRD*

15. Andrew Robinson presented the paper on EAFRD progress. He said that, further to the information supplied in the EAFRD report, 20 of the 31 full applications invited in response to the March calls were now expected to proceed. He also confirmed that, in addition to the 102 outline applications received in response to the July calls, 135 outline applications had now been received in response to the August calls.

16. Key points raised by members:

- The issue of demarcation is becoming an increasingly pressing issue, particularly in rural areas where for applicants it was unclear which fund would be most appropriate to apply for and there was a risk of claw back, and members recommended that decisions on affected projects should be taken once the rules were clarified. Cornwall agreed to provide examples to the ERDF Managing Authority. David Morrall confirmed that DCLG and Defra Managing Authorities are in the process of developing guidance to address this.

*iv. EMFF*

17. Lynn Fardon said the EMFF Operational Programme had been formally approved by the European Commission last week and that the fund would open for applications on 18 January 2016. A press notice had been issued and a link to this circulated to the Growth Programme Board for information. A series of launch events would be held in February across the UK to promote the fund.

## **Item 5: PERFORMANCE MANAGEMENT**

18. Marsha Osivwemu presented the paper setting out the strategy for managing performance targets and milestones for the 2014-20 ERDF and ESF Operational Programmes. From June 2016, progress against Operational Programme and LEP area profiles will be reviewed at quarterly intervals and a series of profile and tracking processes will monitor and manage delivery at a national and local level. The Growth Programme Board will receive further details on the tools for reporting, risk and profiling at their March 2016 meeting.

19. Key points raised during discussions were:

- The new IT system will be available to Growth Delivery Teams in January 2016 with a phased roll out to partners to follow during the first quarter of 2016.
- It was agreed the DCLG and DWP would clarify with the European Commission outside of the meeting the wording of paragraph 3 and paragraph 16 of their Performance Management paper.
- The profiles to be developed for each LEP area for their N+3 targets will be available from January 2016.

- Investment priority targets, as set out in the ERDF Operation Programme, are indicative at LEP area level, and on that basis their performance should be tracked. ESF Operational Programme requires meeting targets set out at Investment Priority level.
- The Technical Assistance Advisory Group had identified that once performance management information was available, it would be useful to overlay allocation of TA resource against the performance across LEP areas to see if there was any correlation.

**Agreed actions:**

- **For further information on Performance Management of the Structural Funds to be presented to the Growth Programme Board meeting in March**

**Item 6: STRUCTURE OF FUTURE ESF PERFORMANCE REPORTS**

20. Anne Donkin presented the paper setting out the format for future ESF programme performance reporting once participant data became available, and the Growth Programme Board's role in monitoring ESF programme performance from the range of available data resources.

21. Key points raised during discussions were:

- A deep-dive analysis on equality and cross-cutting themes would be helpful for both ESF and ERDF programme
- The Board welcomed the proposal for performance data on co-financing organisation (CFO) being brought to each meeting, but the timeframe for presentation and analysis would need to enable the Board to understand and address performance issues as near to 'real time' as possible. The Board also requested that direct bids and CFO level of data be presented to enable the Board to identify patterns in performance.
- The European Commission asked that more in depth CFO performance reports be presented at each meeting, taking each CFO in turn for a detailed discussion. The Commission also asked that the Board consider community grant performance in one specific report a year.
- Julia Sweeney confirmed there would be consistency with the format of performance reporting for the ESI Fund programmes.

**Item 7: COMMUNICATIONS STRATEGY AND 2016 ACTIVITY PLAN**

22. Rob Martell provided an overview of communications activities undertaken by DCLG and DWP to promote and publicise the European Programmes during 2015 and to seek the Growth Programme Board's approval of the 2016 Communications Activity Plan.

23. Key points raised during the discussion:

- Growth Programme Board members were invited to consider and put forward any ideas for complimentary communications activity within their sectors that could be linked to the proposals within the 2016 Communications Activity Plan.

- A National Sub-committee on communications which will report to the Board was being set up to support the delivery of the communications activity for the ESI Fund programme.
- It was considered that more could be done within the 2016 Activity Plan to capture the role and benefits of Technical Assistance as an effective means to disseminate key messages from the ESI Fund programme.
- A series of standardised case studies will be developed of key projects as they come online to highlight the role and purpose of the of European Programmes, and the Board were invited to put forward examples.
- It was confirmed that, in accordance with EU regulations, an annual event to publicise the European Programmes will be arranged during 2016.

### **Item 8: EQUALITIES**

24. Rachel Quinn presented the report undertaken by the East Midlands Local Monitoring Committee (LMC) to examine and evaluate achievements on equalities in the 2007-13 ERDF programme and summarised its key findings. This focused in particular around embedding the equalities approach and the lack of targets, programme-level guidance and a national equalities level overview. David Malpass summarised the measures taking place at outline and full application stage by the ERDF Managing Authority in response to the East Midlands report.

25. Key points raised during the discussions:

- Members welcomed the report by the East Midlands LMC into the 2007-13 ERDF programme and its findings, which would provide the Equalities National Sub-committee with a strong starting focus
- DG EMPL recommended the experience of the ESF programme in the field of equality mainstreaming be drawn on to address the ERDF equality issues raised in the presentation.
- The Board reflected on the recent publication of the European Commission's proposed "European Union Accessibility Act" which, when adopted after negotiations with the Council and European Parliament, would set common accessibility requirements for products and services across the EU and its implications for the Structural Funds.

### **Item 9: EVALUATION PLAN FOR THE 2014-20 ERDF PROGRAMME**

26. David Morrall presented the paper summarising the progress towards the development of the Evaluation Plan for the 2014-20 ERDF programme. The Board were invited to comment on the first draft of the Plan, which had been developed independently by DCLG analysts, and which follows European Commission guidance and the UK's Government Social Research Professional Guidelines for impact evaluation.

27. Key points raised during discussion:

- The Board welcomed the focus on wellbeing as an additional long-term impact measure across the local growth programmes, particularly where this would encompass cultural, as well as economic, wellbeing.

- Angus Gray confirmed that the ESF Evaluation Plan would be brought to the March Growth Programme Board meeting for consideration.

**Agreed Action:**

- **For the draft ESF Evaluation Plan to be brought to the Growth Programme Board meeting in March for consideration**

**Item 10: MINUTES OF THE SEPTEMBER MEETING AND PROGRESS ON ACTIONS**

28. The actions from the September meeting were reviewed: Sheena Leng said the letter to the Board regarding their membership review and the Selection Criteria for approval by written procedure would both be issued shortly. Angus Gray said the final version of the ESF scoring methodology would also be submitted for approval at the March meeting. The Board were also asked to note the new summary style format of Board minutes that had been implemented. The draft minutes of the September meeting were agreed.

29. Rachel Quinn asked for a response to the question from the September Board meeting on the issue of the 'lighter' Community Led Local Development (CLLD) application process. David Morrall confirmed that applicants would need to submit separate ERDF and ESF applications, but DCLG and DWP MAs were working closely to smooth the process.

**Item 11: FORWARD LOOK** (standing item)

30. The Board were invited to note the Forward Look and put forward any proposed areas and activities for consideration at future meetings. Angus Gray recommended that, in addition to the ESF Evaluation Plan which would be brought in March, the Board revisit their discussion on the Spending Review at a future meeting.

**Agreed Action:**

- **For a further discussion on the implications of the Spending Review to be incorporated in to the Forward Look for discussion at a future meeting of the Growth Programme Board**

**Item 12: ANY OTHER BUSINESS**

31. It was noted that this would be the last Growth Programme Board meeting for Rachel Quinn and Sheena Leng; the Chair and members wished to record their thanks for Rachel and Sheena's contribution to the Board, along with Prof. Julian Crampton and Marsha Osivwemu.



## Annex A: Agreed Actions

Item	Action
1	BIS to clarify when core funding will be confirmed for LEP areas
4	Technical Assistance Advisory Group to consider ESF Technical Assistance transition points and report back to the Growth Programme Board meeting in March
	Growth Programme Board to receive a report on the finalised local ESI Funds Strategies at the March 2016 meeting
	The additional information requested by the European Commission is included in future ERDF progress reports
	For guidance and procedures to be developed and implemented for LEP area ESI Fund sub-committees to deal with lobbying
5	For further information on Performance Management of the Structural Funds to be presented to the Growth Programme Board meeting in March
9	For the draft ESF Evaluation Plan to be brought to the Growth Programme Board meeting in March for consideration
11	For a further discussion on the implications of the Spending Review to be incorporated in to the Forward Look for discussion at a future meeting of the Growth Programme Board

**Annex B: Attendee List**  
**ESI Funds Growth Programme Board meeting 16 December 2015**

**Minister:**

	<i><b>Sector/Organisation Representing</b></i>
<b>James Wharton MP</b> Parliamentary Under Secretary of State, Minister for Local Growth and the Northern Powerhouse	DCLG

**Chair:**

	<i><b>Sector/Organisation Representing</b></i>
<b>Julia Sweeney</b> Director, Europe Programmes and Local Growth Delivery	DCLG

**Board Members (full and advisory):**

	<i><b>Sector/Organisation Representing</b></i>
<b>Mike Spicer</b> Director, Research and Economics	British Chamber of Commerce
<b>Alex Conway</b> European Programmes Director	Greater London Authority
<b>Chris Pomfret</b> Chair, Cornwall & Isles of Scilly	Cornwall & the Isles of Scilly
<b>John Markham</b> Chair, Northamptonshire LEP	LEP Network/LEP
<b>James Newman</b> Chair, Sheffield City Region LEP	LEP Network/LEP
<b>Simon Nokes</b> Deputy Chief Executive, New Economy Manchester	LEP Network/LEP
<b>Cllr Ian Stewart</b> Cumbria County Council & South Lakeland District Council	Local Authorities
<b>Lloyd Broad</b> Head of European & International Affairs, Birmingham City Council	LGA / Local Authorities
<b>Russell Reefer</b> Advisor, Local Government Association	LGA / Local Authorities
<b>Rachel Quinn</b> Chief Executive, One East Midlands	Voluntary Sector
<b>Shelly Dowrich</b> EU & International Policy, Government Equalities Office	Equalities
<b>Professor John Latham</b> Vice-Chancellor, Coventry University	Higher Education (Universities)
<b>Teresa Frith</b> Senior Skills Policy Manager, Association of Colleges	Further Education
<b>Richard Powell</b> Chair, Wild Anglia Local Nature Partnership	Local Nature Partnerships
<b>Keith Harrison</b> Chief Executive, Action with Communities in Rural Kent	LEADER
<b>Deša Srsen</b> Head of UK Unit	European Commission, DG REGIO

<b>Guy Flament</b> Programme Manager, UK Unit	European Commission, DG REGIO
<b>Tamara Pavlin</b> Programme Manager, UK Unit	European Commission, DG REGIO
<b>Andriana Sukova-Tosheva</b> Director EMPL F, Investment	European Commission DG EMPL
<b>Nicolas Gibert-Morin</b> Head of Unit of EMPL F4	European Commission DG EMPL
<b>Eleuterio Rodriguez Marino</b> EMPL F4	European Commission DG EMPL
<b>Andrew Robinson</b> Deputy Director, Countryside and Nature	Defra
<b>Lynn Fardon</b> Policy Advisor Defra	Defra
<b>Angus Gray</b> Head of ESF Division	DWP
<b>Anne Donkin</b> Head of ESF Policy and Programme	DWP
<b>Tim Courtney</b> Deputy Director, European Reform Directorate	BIS
<b>Sam Kabiswa</b> European Reform Directorate	BIS
<b>Nick Dexter</b> Deputy Director, Policy & Partnership	DCLG
<b>David Malpass</b> Deputy Director, Growth Delivery Network	DCLG
<b>Carol Sweetenham</b> Deputy Director, Central MA Strategy and Systems Division	DCLG
<b>David Morrall</b> Head of 2014-20 Policy Team	DCLG

#### **Additional Attendees / Observers:**

<b>Name</b>	<b>Sector/Organisation</b>
<b>Marsha Osivwemu</b> European Programmes	DCLG
<b>Rob Martell</b> Marketing & Comms, European Programmes	DCLG
<b>Warren Ralls</b> Director, LEP Network	LEP Network
<b>James Ransom</b> Policy Researcher	Universities UK
<b>Rosanna Mann</b> European Social Fund, Evaluation Team	DWP
<b>Hanna Haas</b> Team Leader, ESF Managing Authority	DWP
<b>Simon Jones</b> European Programmes Team	DCLG
<b>Richard Inman</b> DCLG and GPB Secretary from 4 January 2016	Defra/DCLG
<b>Carol Botten</b> Deputy Chief Executive, VONNE	Voluntary & Community Sector
<b>Andy Churchill</b> Network for Europe	Voluntary & Community Sector

<b>Sheena Leng</b> Growth Programme Board Secretariat	DCLG
<b>Ben Meadows</b> Growth Programme Board Secretariat	DCLG
<b>Adrienn Sz Nagy</b> Growth Programme Board Secretariat	DCLG

#### Apologies:

	<b>Sector/Organisation</b>
<b>Martin McTague</b> Chair, Local Government Policy	Business / private sector
<b>George Trow</b> Principal & Chief Executive, Doncaster College	Education
<b>Tom Mellish</b> Policy Officer, Trade Union Congress	Trade Unions
<b>Mark Tinsley</b> Chair, Lincolnshire Forum for Agriculture and Horticulture	Rural & Farming Network
<b>Sir Richard Leese</b> Leader, Manchester City Council	LEP Network
<b>George Kieffer</b> Vice Chair, South East LEP	LEP Network
<b>Sir Albert Bore</b> Birmingham City Council	LGA / Local Authorities
<b>Cllr Philip Atkins</b> Leader, Staffordshire County Council	LGA / Local Authorities
<b>Jean-Bernard Benhaïem</b> Deputy Head of Unit, DG AGRI	DG AGRI
<b>Susannah Simon</b> Director, European Reform Directorate	BIS
<b>Shirley Trundle</b> Director, Countryside and Nature	Defra
<b>Sam Evans</b> Head of Marine Planning & Sustainable Fisheries	Defra
<b>Katherine Cowell</b> Area Director, BIS	BIS/DCLG - Growth Agenda