



**Minutes of the Growth Programme Board meeting  
11:00 Thursday 24 March 2016  
Conference Room 5, Marsham Street, London**

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**Agenda**

Welcome and introduction

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| 1. Progress on devolution and Intermediate Bodies                 | 2. Partnership Working Review*                                     |
| 3. Progress on Programmes*  | 4. National Sub-Committee*   |
| 5. Finalised ESI Funds strategies*                                | 6. Performance Management – Reporting Tools*                       |
| 7. Evaluation Plan for the 2014 – 2020 ESF Operational Programme* | 8. Evaluation Plan for the 2014 – 2020 ERDF Operational Programme* |
| 9. Annual Implementation Report*                                  | 10. Ratification and agreement of PMC papers*                      |
| 11. Forward Look*   | 12. Minutes of last meeting & progress on actions*                 |
| 13. Items for information   |  |

*Agenda items marked \* were accompanied by Board papers.*

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**Minutes**

**Welcome and introduction**

The Chair (**Julia Sweeney**) welcomed everybody to the meeting and introduced new GPB members **Tim Parry** (Voluntary and Community Sector, national level); **Keith Cowell** (Further Education) and **Tom Mellish** (Trades Union Congress). She noted that **Cllr Joe Anderson** (Sustainable Urban Development) had agreed to join the Board, as had **Carol Botton** (Voluntary and Community Sector, local level) who was being represented by her deputy, **Andy Churchill**. **Cllr Julian German** (Cornwall Council) attended the Board, pending nomination of a permanent GPB representative from Cornwall and the Isles of Scilly.

The Chair noted that **Chris Pomfret** had decided to stand down from the Board. Members recorded their gratitude for his commitment to the Programme Monitoring Committee and

contribution to its evolution, since 2014. The Board congratulated **Guy Flament** (European Commission) on his imminent retirement.

Apologies for absence were received, which are recorded at Annex B. The Secretary (**Richard Inman**) confirmed that no Board member had a conflict of interest that would require them to withdraw from the meeting.

## **1. Progress on Devolution and Intermediate Bodies**

1.1. **Nick Dexter** briefed the Board that three new devolution deals had been announced in East Anglia, West of England and Greater Lincolnshire. The deals include the delegation of some Managing Authority functions to Intermediate Bodies (IB). Recognising that it might be difficult to agree devolution deals in some areas, Board members wondered whether the Managing Authorities could consider delegating Managing Authority functions outside of a devolution deal. Board members also asked if devolution deals with IBs in areas that are not coterminous with LEP areas would be handled on a slower track.

1.2. The Chair noted the suggestion but recalled that Ministers were clear that an IB should be part of a devolution deal as it would help to deliver the wider benefits of that deal. Involvement of the full range of partners is important so that pace is maintained. For those areas where devolution deals had been announced previously, a suite of designation documents had been sent to IB candidates including Memoranda of Understanding. Assurance meetings will be arranged with each area and designation letters will follow. The Managing Authorities will handle proposals from partners about arrangements in devolution deal geographies that are not coterminous with LEP areas promptly, as soon as they are received.

## **2. Partnership Working Review**

2.1. **David Morrall** presented the Partnership Working Review progress report. The Review team has held meetings with Managing Authority and BIS local teams across the country. A second stage of engagement including a series of discussions with partners is underway. Four regional events will supplement meetings with up to twenty LEP area ESI Fund sub-committees. An online survey will be available, to enable partners involved in delivery of the ESI Funds who are unable to attend one of the events or meetings to contribute views. Initial findings emerging from discussion with the Managing Authorities and partners were discussed.

2.2. Board members praised the energy committed to the Review and noted that feedback had been generally positive. A range of issues were discussed, including consistency across local DCLG, DWP and Defra Managing Authority arrangements, communications (for example in relation to accessibility of information on GOV.UK) and support for particular operational challenges, such as Priority Axis 4 (low carbon economy).

2.3. **Nick Dexter** noted the Partnership Working Review Report will be tabled at the June GPB meeting, prior to being presented to Ministers.

### 3. Progress on Programmes

3.1. **ERDF: David Malpass** reported the first three rounds of calls had led to 58% of the programme allocation being applied for. Measures to improve Priority Axis 4 progress included development of applicants' guidance and a series of workshops that had been held across the country. The first round of calls closed on 27 May 2015 and the timeline for developing funding agreements was explained.

3.2. Board Members expressed a concern that the minimum threshold of £25,000 on Financial Instruments combined with the proposal to use a competitive call process and the 'entrusted entity' role of the British Business Bank (BBB) posed a risk to the programme. Managing Authorities were encouraged to consider alternative measures that enable a market for Financial Instruments under the threshold. A potential risk was perceived due to insufficient scrutiny of the sustainability, resilience and longevity of projects being put forward under Priority Axis 3 (SME competitiveness). There was some concern about Priority Axis 5 (climate change adaptation, risk prevention and management) flood defences. This will be kept under review. **Tim Courtney** noted that UK Trade & Investment (UKTI) had been through a review, which should lead to clarity on the availability of match funding. He committed to circulate a note once the review outcomes are settled and the implications are clear. David Malpass agreed to discuss the sustainability issue with Board member **Richard Powell**.

**Action 1603/01: David Malpass will discuss sustainability and resilience of Priority Axis 3 projects, with Richard Powell**

**Action 1603/02: Tim Courtney will provide a summary note to the Board following conclusion of UK Trade & Investment's review of its programmes**

3.3. **ESF: Angus Gray** reported progress on the most recent calls against Priority Axes 2.1 (Life Long Learning) and 2.2 (Improving Education). He confirmed a new live call for ESF had opened.

3.4. The Board noted that London's Youth Employment Initiative (YEI) allocation had not been committed as there had been no response to the YEI call. Members considered that match funding availability may have been a causative factor. Concerns from local areas were noted whether Opt-ins would deliver the output targets. Delivery of up to date Management Information systems had been anticipated by this stage. Angus confirmed that YEI remained a live issue for DWP. He committed to provide the Board with a note describing the way the output targets had been calculated for the Operational Programme and the information we now had about opt-in plans; and to indicate the number of signed Technical Assistance agreements.

*(Post meeting note: 48 TA applications were invited to full application. As of 20 April, 2 had been withdrawn and 2 were unsuccessful. Of the rest, 18 had been approved with 8 of those already having funding agreements signed. The remaining 26 were still being processed.)*

#### **Action 1603/03: Angus Gray to provide a note on output targets to the Growth Programme Board**

- 3.5. **Alex Conway** advised the Board that Funding Agreements had not yet been issued in London because the Greater London Authority were waiting for Government to clear the funding agreement templates (now in use outside London) for adaptation by the Mayor. This was expected shortly. He also noted that the E-claims IT system for paying and monitoring projects was not yet fully operational, but it was understood Government was developing 'workarounds' to allow projects to be paid – such workarounds would be crucial for programme delivery.
- 3.6. **EAFRD: Andrew Robinson** reported European Agricultural Fund for Rural Development (EAFRD) calls progress. Calls totalling £25m had been issued. Applications exceeded this value; however converting outline applications into projects suffers a high attrition rate. The Rural Payments Agency is arranging a series of writing workshops to address this issue. To determine what new Rural Development Programme business to open up in 2016/17, Defra ministers have decided to assume that an exchange rate of €1 = £0.72 applies for the rest of the programme period and that its impact applies proportionately across the parts of the programme.
- 3.7. **EMFF: Paul Little** provided a verbal report on the European Maritime and Fisheries Fund (EMFF). EMFF supports economic growth in the seafood sector, aquaculture, ports and marketing. The Fund opened for applications on 18 January 2016 and there had been 76 expressions of interest and 47 applications to date. Community Led Local Development (CLLD) under EMFF, which may attract applications from Fisheries Local Action Groups (FLAGs), had also opened. Thirteen applications had been received.

#### **4. National Sub-Committee (Smart Specialisation)**

- 4.1. **Tim Courtney** briefed Board members on the Smart Specialisation National Sub-Committee first meeting, held in February. The Sub-Committee had discussed its role and settled on a description of its remit to advise GPB how best to get value from implementation of the Smart Specialisation Strategy for England and collaborate with the Smart Specialisation hub, described in an accompanying paper.
- 4.2. Board members asked the Sub-Committee to consider inviting more LEP area ESI Funds sub-committee representatives to sit on the group. It was noted that local science and innovation audits were underway in some areas and the National Sub-Committee should have a role in facilitating cross-LEP collaboration on innovation projects. It was suggested that BIS might look at best practice in ESI Fund innovation activity from other Member States, plus opportunities for aligning Innovate UK potential

match funding with ESI Funds and/or other EU funding programmes (e.g. Horizon 2020).

- 4.3. Board members agreed the proposed remit of the Sub-Committee within the overarching National Sub-Committee Terms of Reference and that Managing Authorities should provide the Sub-Committee with data on project spend.

## **5. Finalised ESI Funds Strategies**

- 5.1. **David Morral** briefed the Board on the process for finalising LEP area ESI Funds strategies. The updated strategies are currently being reviewed to ensure there is consistency with the adopted ESI Fund programmes. This process will be concluded by mid-April. Board members commented they would like to see output targets that reflect local conditions more fully.

- 5.2. A report, which will summarise the key issues and trends that have been identified, will be presented at the June GPB meeting.

## **6. Performance Management – Reporting Tools**

- 6.1. **Simon Jones** presented a paper on Performance Management of the Structural Funds and described development of a common performance management reporting structure. Future GPB reporting will be on the progress being made towards meeting 2018 Performance Framework targets, which will primarily be focussed at a national rather than local level. Processes that will impact on achieving these targets will also be monitored. Examples of tools that will be used to monitor progress were demonstrated. The Performance and Dispute Resolution National Sub-committee will monitor progress against programme targets and provide advice for future GPB meetings. Its first meeting will be in the BIS conference centre, 11.00am – 3.00pm on 12 May 2016. Board members shared the view that the Performance and Dispute Resolution Sub-Committee membership should reflect that of the GPB and were invited to provide nominations following discussions with their nominating bodies.

- 6.2. Board members recommended that gender data should be measured as a matter of routine when monitoring equality; and sustainability, as a cross cutting theme, should be subject to a 'deep dive' analysis.

**Action 1603/04: Board members to submit nominations for Performance and Dispute Resolution Sub-Committee membership to the GPB secretariat, by 30 April**

## **7. Evaluation Plan for the ESF 2014 – 2020 Operational Programme**

- 7.1. **Anna Taylor** presented the Evaluation Plan for the ESF 2014 - 2020 Programme. The Plan had been developed in accordance with the EU Common Provisions Regulation, which set a twelve month limit following adoption of the Operational Programme for the Managing Authority to obtain Programme Monitoring Committee approval.

Development of the evaluation strategy had been guided by the ESF Evaluation Steering Group and close working with the European Commission desk officer. The Managing Authority confirmed the Evaluation Plan would be reviewed annually and that evaluation activities had estimated costs assigned to them. Costs would be allocated from Managing Authority budgets.

- 7.2. Board members appeared content with the proposed Plan. However, **Cllr German** sought clarification why the approach to ESF evaluation differed from ERDF evaluation and was not being undertaken at individual LEP area level. The Chair acknowledged the principle of challenge was right. **Angus Gray** agreed to postpone seeking Board approval of the Evaluation Plan until he had provided a technical note explaining the position.

**Action 1603/05: Angus Gray to provide a note summarising the position with regard to ESF evaluation and LEP geographies, before seeking GPB approval of the ESF Evaluation Plan at the June meeting**

## **8. Evaluation Plan for the ERDF 2014 – 2020 Operational Programme**

- 8.1. **David Morrall** briefed the Board on development of the ERDF Evaluation Plan. The draft Evaluation Plan had been presented to the Board in December 2015. Following discussion with DG Regio, further work had been undertaken by DCLG analysts and policy leads. The final ERDF Programme Evaluation Plan will be presented at the June GPB meeting.
- 8.2. Board members were invited to nominate Evaluation National Sub-Committee members. The Managing Authority was recommended to approach the LEP Network to identify operational practitioners who could join the Evaluation National Sub-Committee.

**Action 1603/06: The Managing Authorities to circulate a request for nominations for the Evaluation Sub-Committee, by 15 April**

## **9. Annual Implementation Reports 2016**

- 9.1. **Simon Jones** briefed Board members on the need to prepare Annual Implementation Reports (AIR).
- 9.2. Under the Common Provisions Regulations, ESI Fund Programmes are required to prepare an AIR, which must be approved by the Programme Monitoring Committee before submission to the European Commission. The ERDF and ESF 2016 reports need to be submitted to the Commission by 31 May. It was proposed that AIRs be sent to GPB members for clearance by Written Procedure.
- 9.3. Board members agreed that clearance of the Annual Implementation Reports 2016 by Written Procedure would be appropriate.

## 10. Ratification and agreement of PMC papers

- 10.1. **The Secretary** noted that selection criteria for ERDF and ESF project applications had been presented to the Board (in its role as Programme Monitoring Committee) at its meeting on 24 September 2015. The Board had agreed the criteria in principle. Colleagues from the European Commission had asked to make further comments, which have been reflected in the document. Additionally, the ESF scoring methodology had also been amended following discussion with the Commission. As the process had concluded, the selection criteria and scoring methodology were being re-presented to GPB for final agreement. The Board noted the changes made since September and agreed the ERDF and ESF selection criteria and the revised ESF scoring methodology.

## 11. Forward Look

- 11.1. **The Secretary** presented the Forward Look of future activity to be undertaken and considered by the Board. Members were invited to suggest to the GPB secretariat any proposed areas and activities that might be considered at future meetings.

## 12. Minutes of last meeting and progress on actions

- 12.1. **The Secretary** presented draft minutes from December's meeting and a verbal report of progress against actions arising. Two actions remained open, concerning consideration of ESF Technical Assistance transition points by the TA Advisory Group (which is ongoing) and development of guidance to help LEP area ESI Fund sub-committees deal with lobbying. The Secretary committed to pursue the outstanding action and develop guidance for the GPB's consideration at the June meeting.

- 12.2. Members agreed the minutes of the December 2015 Growth Programme Board.

## 13. Items for information

- 13.1. **John Latham** informed Board members that Keele University had asked him to raise an issue with the ERDF Managing Authority on the time allowed to develop full proposals after invitations had been issued.
- 13.2. **David Morrall** explained that two minor technical revisions were required to be made Operational Programmes. The first related to updating the categories of intervention to allow equity investments under Priority Area 4 (low carbon economy) and Priority Axis 6 (environment) in the ERDF Operational Programme and the second to updating the ERDF and ESF Operational Programmes to reflect the establishment of Intermediate Bodies in devolution deals. He explained that these proposed amendments would be submitted to the Growth Programme Board for consideration under Written Procedures to enable prompt submission to the European Commission, which members agreed.

**Meeting closed: 14:20**

**Date, time and venue of future meetings**

- Thursday 16 June 2016, 11:00 – 15:00, DCLG Conference Rooms 5A & 5B
- Thursday 15 September 2016, 11:00 – 15:00, DCLG Conference Rooms 5A & 5B
- Tuesday 13 December 2016, 11:00 – 15:00, DCLG Conference Rooms 5A & 5B
- Tuesday 28 March 2017, 11:00 – 15:00, DCLG Conference Rooms 5A & 5B



**Annex A List of Agreed Actions from 24 March 2016 Growth Programme Board Meeting**

<b>Action Number</b>	<b>Action</b>	<b>Action Assigned to</b>
1603/01	David Malpass will discuss sustainability and resilience of Priority Axis 3 projects, with Richard Powell	David Malpass
1603/02	Tim Courtney will provide a summary note to the Board following conclusion of UK Trade & Investment's review of its programmes	Tim Courtney
1603/03	Angus Gray to provide a note on output targets to the Growth Programme Board	Angus Gray
1603/04	Board members to submit nominations for Performance and Dispute Resolution Sub-Committee membership to the GPB secretariat, by 30 April	GPB Members
1603/05	Angus Gray to provide a note summarising the position with regard to ESF evaluation and LEP geographies, before seeking GPB approval of the ESF Evaluation Plan at the June meeting	Angus Gray
1603/06	The Managing Authorities to circulate a request for nominations for the Evaluation Sub-Committee, by 15 April	DCLG Managing Authority

## **Annex B Attendee List**

### **Growth Programme Board 24 March 2016 meeting**

#### **Chair and Deputy Chair:**

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

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

<b><i>Name, title and organisation</i></b>	<b><i>Sector/Organisation Representing</i></b>
<b>Peter O'Connell</b> Federation of Small Business	Federation of Small Businesses
<b>Alex Conway</b> European Programmes Director	Greater London Authority
<b>Cllr Julian German</b> Cornwall Council	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>Cllr Ian Stewart</b> Cumbria County Council & South Lakeland District Council	Local Authorities
<b>Russell Reefer</b> Advisor, Local Government Association	LGA / Local Authorities
<b>Cllr Philip Atkins</b> Staffordshire County Council	LGA / Local Authorities
<b>Andy Churchill</b> Network for Europe	Voluntary & Community Sector (Local)
<b>Tim Parry</b> Chief Operating Officer, Community Council for Berkshire	Voluntary & Community Sector (National)
<b>Tom Mellish</b> Policy Officer, Trade Union Congress	Trade Unions
<b>Professor John Latham</b> Vice-Chancellor, Coventry University	Higher Education (Universities)
<b>Keith Cowell</b> Principal, City of Westminster College	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>Guy Flament</b> Programme Manager, UK Unit	European Commission, DG REGIO
<b>Noel Farrell</b> UK Unit	European Commission, DG REGIO
<b>Andrew Robinson</b>	Defra

Deputy Director, Countryside and Nature	
<b>Paul Little</b> Defra	Defra
<b>Angus Gray</b> Head of ESF Division	DWP
<b>Tim Courtney</b> Deputy Director, European Reform Directorate	BIS
<b>Tim Goodship</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

**Others in Attendance (non-members - including secretariat):**

<i><b>Name, title and organisation</b></i>	<i><b>Sector/Organisation Representing</b></i>
<b>Anna Taylor</b> ESF Evaluation Team	DWP
<b>Simon Jones</b> European Programmes Team	DCLG
<b>Preben Gregersen</b> Regional Policy Director	Danish Business Authority
<b>James Ransom</b> Policy Researcher	Universities UK
<b>Hanna Haas</b> Team Leader, ESF Managing Authority	DWP
<b>Julie Logue</b> Greater South East GDT	DCLG
<b>Richard Inman</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:**

<i><b>Name, title and organisation</b></i>	<i><b>Sector/Organisation Representing</b></i>
<b>Joe Anderson</b> Mayor, Liverpool City Council	Sustainable Urban Development
<b>George Kieffer</b> Vice Chair, South East LEP	LEP Network/LEP
<b>Sir Richard Leese</b> Leader, Manchester City Council	LEP

<b>Martin McTague</b> Chair, Local Government Policy	Business / Private Sector
<b>Shelly Dowrich</b> EU & International Policy, Government Equalities Office	Equalities
<b>Adam Marshall</b> Director of Policy & External Affairs	Business / Private Sector
<b>Mark Tinsley</b> Chair, Lincolnshire Forum for Agriculture and Horticulture	Rural & Farming Network
<b>Carmen Gonzalez</b> Deputy Head of 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>Jean-Bernard Benhaïem</b> Deputy Head of Unit, DG AGRI	European Commission DG AGRI
<b>Susannah Simon</b> Director, European Reform Directorate	BIS
<b>Shirley Trundle</b> Director, Countryside and Nature	Defra
<b>Anne Donkin</b> Head of ESF Policy and Programme	DWP
<b>Katherine Cowell</b> Area Director, BIS	BIS/DCLG - Growth Agenda