



**European Union**

European Structural  
and Investment Funds

**European Structural and Investment Funds  
2014 - 2020**

**Growth Programme for England**

## **ESI Funds Growth Programme Board**

### **Partnership Working Review – Progress on Implementation**

#### **Purpose:**

To provide the Board with an update on the progress on implementing recommendations arising from the Partnership Working Review.

#### **Recommendation(s):**

That the Board notes progress to date.

#### **Summary:**

1. The Partnership Working Review was held in early 2016. The Board received the final Partnership Working Review report at its September 2016 meeting. It was agreed a progress report, describing how the Review recommendations had been implemented, would be presented to the Board in March 2017.

#### **Background**

1. The Partnership Working Review report considered the effectiveness of partner working arrangements for the ESI Funds Growth Programme. It took into account the views and experience of managing authority (MA) government departments and partners. The report identified good practice and opportunities for improving local partnership arrangements. The main body of the report summarised stakeholder perspectives in:
  - Partner representation and participation in programme governance;
  - Partner influence on the local strategic fit of project calls and assessments;
  - How well communication within the programme is working.

#### **Overview**

2. This update is based upon interviews and engagement with officials from local and national managing authority departments throughout February 2017. It provides an insight into how the recommendations of the Partnership Working Review have been received across managing authority departments, who are primarily responsible for implementation.

3. Across all MAs it is important to recognise that the result of the referendum and the decision to leave the EU led to a degree of uncertainty and added complexity over the summer 2016. The government's announcement of a guarantee on ESIF funded projects contracted up to the point at which the UK leaves the EU has provided partners with a degree of certainty and has allowed the progression of a range of continuous improvement actions which are taking forward recommendations identified in the Partnership Working Review.
4. It is also important to note that the recommendations of the Partnership Working Review are also helping to inform evolution of government thinking to develop domestic successor programmes focused on the promotion of productivity and local growth.

### **Headline observations**

5. There has been a positive response to the Partnership Working Review across managing authority departments, with officials appreciative of the suggestions for how to improve their ways of working.
6. Each recommendation has either been implemented, is in the process of being implemented, or has been considered for ongoing implementation by the relevant managing authority department.
7. There remains a variation in the scale and speed of implementation across growth delivery team (GDT), LEP areas and managing authority departments, depending on the extent to which recommended actions reflect existing best practice.
8. There is scope for the timescale within which recommendations are implemented to be reduced following a return to 'steady state' implementation following the guarantee and launch of further calls from the end of 2016.
9. Managing authority departments have undertaken a series of actions since the publication of the Partnership Working Review to enhance partner representation and participation in programme governance.
10. The Continuous Improvement team within the ERDF management authority has taken a proactive approach to the recommendations of the Partnership Working Review. This has included actions across a series of projects; six already implemented, and three with a Q1 implementation timeframe (see annex 1).
11. The ambition of these improvement programmes has been to respond to partner concerns to build a more streamlined and efficient application, appraisal and contracting process, thereby enabling the most appropriate information to be made available to partners in a timely manner. It is expected this will encourage greater representation within sub-committees and enhanced participation by existing members.

12. A steering group was established to review the Terms of Reference of GBP, LEP Area ESI Fund sub-committees and GBP membership. This has enabled a cross-cutting response to a number of the Partnership Working Review recommendations.
13. The steering group brings together officials from each ESI Fund managing authority (DCLG, DWP and DEFRA), the LEP Network and the Local Government Association.
14. Two new pieces of communications infrastructure have been established since the publication of the Partnership Working Review that aid communication within ESIF programmes and public orientated communications.
15. Firstly, a permanent Practitioners Network was established in November 2016. The Network now has a membership of 500 individuals who are either interested or actively engaged in ESI funds related applications and programmes.
16. Secondly, building on the Practitioners Network, two E-Bulletins have been published since Sept 2016 that seek to build upon the recommendations of the Partnership Working Review, with a third E-Bulletin planned imminently.
17. Both pieces of communication infrastructure provide a more effective means of distributing information to local and national partners, addressing a range of communication issues raised during the Partnership Working Review.

## **Details**

18. The grid below provides brief updates where possible for each PWR recommendation.

Iain Derrick, DCLG  
14 March 2017

***Recommendations: Partner representation and participation in programme governance***

No.	Recommendation	Follow-up
1	In seeking replacement/further members, managing authorities and sub-committee secretariats should consider use of open recruitment in addition to inviting sectors to nominate representatives.	Sub-national MA teams and secretariats are preparing for the refresh of membership planned for 2017 (as per the three year review period). These reviews will capture the extent to which membership is representative, and enable the recruitment of new members to ensure full representation is achieved.
2	Where ESI Funds sub-committees experience difficulties in securing representation across all sectors, they should consider 'doubling-up' representation where appropriate.	Where appropriate, secretariats are asking for a 'deputy member' who is able to attend meetings in the event the primary member is absent. This has ensured representation is consistent and reduced the requirement for 'doubling up' representation.
3	ESI Funds sub-committees should acknowledge that membership may often evolve to reflect the stage of programme implementation cycle reached. Secretariats working in conjunction with sub-committees should be pro-active in refreshing membership at regular intervals, requiring sectors to confirm members and alternates and be pro-active in monitoring attendance, taking action where appropriate to maintain levels of attendance.	<p>The managing authorities have asked that local Growth Delivery Teams, sub-national teams and secretariats make available updated sub-committee membership lists on a regular basis.</p> <p>Secretariats are closely monitoring attendance and acting upon the sub-committee terms of reference regarding 50% meeting attendance required and requirement that attendees should not miss more than 3 meetings in a row.</p>
4	The secretariats and LEP officers should periodically review the need for regular induction, seminars, in depth workshops to ensure members are up-to-date with latest programme and policy developments.	<p>Through streamlining the application, appraisal and contract awarding processes, the Continuous Improvement projects have made available more up-to-date programme information for subcommittee members.</p> <p>The role of the GPB in respect of disseminating policy related information has evolved to include informal ministerial discussions of policy developments and to provide a forum for direct interaction between ministers and partners where possible.</p>

5	Secretariats should seek to work closely with Chairs, and where appropriate, LEP supporting officers; avoiding any perception of officers acting as 'filters' and/or 'gatekeepers' between the secretariat and Chair role. Managing authorities should work with LEP officers to explore scope to facilitate exchange of experience, dissemination of good practice and networking amongst Chairs.	The role of the LEP Network in encouraging networking between Chairs has been identified by secretariats as an opportunity going forward, with the awareness that if Chairs do not participate in LEP Network activities the GDT secretariat can provide also networking opportunities.
6	The Terms of Reference for the local ESI Funds sub-committee should be reviewed to further define the scope and the role of the Chair and their interaction with managing authorities, particularly the role of Chairs outside of ESI Funds sub-committee meetings.	A Steering Group has been established to review the Terms of Reference for the local ESI Funds sub-committee. The Steering Group participants include officials from DCLG, DWP, DCLG, the LGA, the LEP Network and sub-national MA teams, who will consider how to further define the scope and role of the Chair, how they interface with the managing authority, and their role outside ESI Funds subcommittees.
7	Secretariats should restate key principles underpinning the management of conflicts of interest and review the need to differentiate between direct pecuniary or other interests, and indirect interests, and consider allowing Chairs the discretion to permit responses to points of information and clarity where that helps to expedite local strategic advice and managing authorities' decision-making, and does not lead to advocacy on behalf of the project.	<p>Secretariats are proactive in their management of potential conflict of interest issues as a result of the Partnership Working Review.</p> <p>This includes discussing with Chairs prior to the relevant meetings any potential conflict of interests that may arise. This has supported the proactive approach to the management of conflicts of interest adopted by the secretariat, in addition Chairs continue to require members to declare any conflicts of interest with secretariats retaining a written record through minutes.</p>
8	Secretariats to review or restate advice to ensure consistent approaches to the sharing of information by sectoral representatives with the sectors they represent. It is important to ensure that representatives feel able to seek out local economic and strategic priorities, and reflect these at ESI Funds sub-	Moves to promote the consistency of approaches to information sharing by secretariats remain a priority. Secretariats undertaking further work regarding the information that can and cannot be shared by ESIF sub-committees. Some national guidance from the ESI funds managing authorities is

	committee meetings, whilst avoiding anything that undermines commercial confidentiality.	suggested as a potential solution.
9	ESI Funds sub-committees should be open to co-opt or invite specialist advice where required, to supplement gaps in local ESI Funds sub-committee knowledge.	There is evidence that local ESI Funds sub-committees are becoming more proactive in the inviting specialist advice to supplement members' knowledge. For example, LEP subcommittees within the North East and Yorkshire GDT has invited the LEP officers to present on Growth Hubs and the LEPs wider areas of work, enabling greater coordination between ESIF and non-ESIF funded LEP programmes.
10	Given the importance of the Chair role secretariat should consider and where considered effective facilitate a 360 degree review process for the position of Chair on an annual basis. To avoid an overly-prescriptive approach at local level it is recommended that this be an optional process agreed following discussions with the secretariat and the LEP.	Progress of annual review of the LEP sub-committee Chairs has been varied across the country. Given the capability and experience of many sub-committee Chairs, a 360 review has been deemed inappropriate, with reviews instead being conducted more informally between the Deputy Chair (a managing authority official) and the Chair.
11	ESF Managing Authority should review how to improve the ability of their local teams to present the outcome of their assessments, even when done by others.	The combination of the programme improvement projects within the ERDF MA provides an opportunity to share best practice and lessons learnt between all ESIF managing authorities.
12	Partners emphasised the need for the ESF managing authorities to restate the roles and responsibilities envisaged for the ESF managing authority, ESI Funds sub-committees and Opt-in	Management Authority officials consider that there may still be a need to restate the relative roles of the ESF managing authority, ESI Funds sub-committees and Opt-In organisations. Secretariats articulated want for this restatement

	organisations, so that local ESI Funds sub-committee members were better able to understand the appropriate relationships and level of engagement expected.	to occur.
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***Recommendations: Partner influence on the local strategic fit of project calls and assessments***

13	Local ESI Funds sub-committees to consider drawing on existing local thematic/policy sub-groups to support committee members with advice on project call specifications and advice on funding assessments and appraisals . Where this is agreed the following checks and balances should apply:	As above, a Steering Group has been established to review the terms of reference for the local ESI Funds sub-committee, including participants from DCLG, DWP,, the LGA, the LEP Network and sub- national MA teams. This will include consideration of the role of sub-groups.
14	<ul style="list-style-type: none"> <li>The use of supporting thematic/policy sub-groups should be formally confirmed by the full ESI Funds sub-committee;</li> </ul>	GDT officials confirmed that sub-groups are formally established within the sub-committee meetings.
15	<ul style="list-style-type: none"> <li>Such thematic/policy sub-groups should support but not replace the full ESI Funds sub-committee, from whom all final advice to the managing authorities should come;</li> </ul>	The formalised process for establishing sub-groups is seen to mitigate the risk of such replacement.
16	<ul style="list-style-type: none"> <li>Local ESI Funds sub-committee terms of reference to be amended by September 2016 to reflect scope for technical sub-groups to support local sub-committee members.</li> </ul>	As above, a Steering Group has been established to review the terms of reference for the local ESI Funds sub-committee, including participants from DCLG, DWP, DCLG, the LGA, the LEP Network and all Growth Delivery Team Heads. The group will consider how to further define the scope and role of the Chair, how they interface with the Managing Authority, and their role outside ESI Funds subcommittees.
17	Local ESI Funds sub-committees to consider nominating leads to negotiate with Opt-in organisations/other national	MA officials considered that this recommendation was more appropriate at the time of the review during 2016, which coincided

	<p>organisations: Where this is agreed the following checks and balances should apply:</p> <ul style="list-style-type: none"> <li>• Where supporting leads are agreed, this should be formally confirmed by the full ESI Funds sub-committee;</li> <li>• Such leads should support but not replace the full ESI Funds sub-committee, from whom all final advice to the managing authorities should come;</li> <li>• Local ESI Funds sub-committee terms of reference to be amended to reflect scope for technical leads to support local sub-committee members.</li> </ul>	<p>with the recruitment of opt-in organisations. However, MA continues to review engagement of local ESIF committees with opt-in-organisations (OiO) to promote effective implementation. There was some evidence that adopting this approach more systematically would strengthen engagement between local ESIFs and OIOs.</p>
18	<p>ESF managing authority to review how effectively provision has been tailored to local needs in LEP areas and report back to the Growth Programme Board by September 2016.</p>	<p>Issue to be progressed</p>
19	<p>Managing authorities to work with the advice of the Growth Programme Board to influence the design of domestic policies and funding so that they better complement the ESI Funds.</p>	<p>MA's committed to ensure that the findings of the Partnership Working Review will help inform evolving government thinking in respect of domestic successor programmes targeting productivity and local growth.</p>
20	<p>Managing authorities to consider scope to co-ordinate call timetables between the ESI Funds and greater flexibility at local level and report back to the Growth Programme Board by September 2016.</p>	<p>Secretariats and MA officials confirmed that a degree flexibility has been introduced (e.g. with increased use of rolling calls) which would enable greater co-ordination of call timetables between ESI Funds.</p> <p>Improvement projects streamlining the application, appraisal and contracting process within the ERDF system are seen as a means by which call coordination could be improved.</p>



21	Managing authorities to review assessment and appraisal format and content and consider scope for enhancements by September 2016. This should include the scope for managing authorities to provide summaries of assessments and appraisals in a common format.	The management authority's Continuous Improvement work has implemented a range of actions designed to enhance the assessment and appraisal format and contents (See Annex 1.)
22	Managing authorities to review the uses of technology to support improved smart working and propose options by September 2016.	Ongoing as part of communications work, review of social media (see below)
23	Managing authorities to consider scope for obtaining the advice of partners on issues relevant to local strategic fit which do not involve matters of eligibility or compliance.	Proposal for terms of reference for local ESIF committees amended to reflect advice on value for money and alignment forms part of proposed programme modification for ERDF and ESF have written to GPB to set out increased focus on alignment and vfm as part of assessment.
24	Local managing authority teams to review and improve joint working arrangements and joint planning of agendas and business between the ESI Funds with local Chairs.	Ongoing implementation – local MA teams commitment to meet regularly in advance of local ESIF meetings to plan agendas, feedback etc.
25	ESI Funds sub-committees should consider development of medium to long-term work-plans reflecting both operational and strategic drivers behind programme implementation	Ongoing implementation – local MA teams and national Departments working to scope out work plans and strategic drivers behind implementation. Evidenced in joint assessment and negotiation of strategies in areas such as CLLD, devolution and intermediate body status.
26	Local committees consider providing local area context to frame ESI Funds investment.	Ongoing implementation. – advice on local strategic fit provides local ESIF committees with opportunity to embed ESIF investment in local area context.

27	Growth Programme Board papers to be provided to local ESI Funds sub-committees and presented by local managing authority Teams.	GBP minutes are made available on GOV.UK and are highlighted to ESI Funds sub-committees within the partner E-Bulletin.
28	ESI Funds LEP area sub-committee secretariats to work with DWP and DEFRA managing authorities to plan balanced agendas and rotation of ESI Funds business	Ongoing implementation – ERDF secretariats working pro-actively with other MA teams to ensure balanced agendas and ESFI fund business.
29	The circumstances for use of Written Procedures to be reviewed and clearly planned with the support of ESI Funds sub-committees in each case	Ongoing implementation – local ESIF committees have welcomed the increased use of written procedures to manage the flow of business during the period of sensitivity following the referendum and following the Government's announcement of a guarantee in October 2016.
30	Managing authorities to review support for cross-LEP area working in discussion with public bodies and partners.	Ongoing implementation focused on cross LEP area working and MA guidance on working across categories of regions issued summer 2016.

***How well the flow and format of Programme communication is working***

31	Managing authorities to review communication flows from national Growth Programme Board and EAFRD Programme Monitoring Committee to better cascade information from national committees and sub-committees to local ESI Funds sub-committees and partnerships.	Ongoing implementation of communications, use of new technology and social media also establishment of national practitioner networks.
32	The review should explore use of appropriate new technology (podcasts/webinars etc) and social media to ensure that information is cascaded in a timely, accessible and consistent manner.	The design of the 2017 Annual Partners survey, conducted in February, was updated to capture the communication preferences of partners.

33	Growth Programme Board minutes should be made available to enable local ESI Funds sub-committees to plan Growth Programme Board feedback into local ESI Funds sub-committee agendas.	GBP Minutes are made available on GOV.UK and are highlighted to ESI Funds sub-committees within the partner E-Bulletin.
34	Managing authorities should consider how best to publicise and make available membership lists (with associated sectoral and contact details) of Growth Programme Board and national sub-Committees.	Lead management authority officials have requested that local MA officials keep and share an updated subcommittee membership list with associated sectoral interests and contact details.
35	Managing authorities should ensure that they avoid overly complex, technical language and should more effectively cascade the glossary of terms used in the context of ESI Funds delivery.	Plain English forms have been distributed by Continuous Improvement officials to LEP colleagues and members.
36	E-alerts or notifications of new content linked to GOV.UK should clearly direct recipients to the relevant parts of the updated content/ guidance documentation.	The national Centre for Excellence will use communications through the Practitioner Network to highlight new content and direct recipients to the relevant updated sections.
37	Managing authorities should explore the addition of an e-based Q&A facility as part of GOV.UK site.	GOV.UK editors have expressed caution regarding this
38	Managing authorities to review use of social media by managing authority teams at local level to ensure all opportunities for programme information and publicity sharing are maximised. Managing authorities should explore the extent to which managing authority usage can complement use of social media by LEP partners through e.g. YouTube channel, Yammer, Twitter etc.	There is a drive to establish social media accounts for local delivery teams, enabling greater public collaboration with the relevant LEP teams. The national managing authority communications division are currently conducting an assessment of the risks related to message discipline associated with decentralised social media accounts.

39	In conjunction with managing authorities, partners should explore pro-active management of stakeholder networks, for example, exploring the use of networks as 'learning communities' in which managing authorities and partners can share develop and share implementation experience, identify good practice and disseminate practical help and guidance.	Ongoing implementation - establishment of practitioner networks and bulletin proactively promoting stakeholder networks, exchange of experience, good practice and practical support / guidance.

## **Annex 1 – Continuous Improvement: Key developments**

Projects of the managing authorities' Continuous Improvement approach, their impact and their implementation timeframe are summarised below.

### ***1. Outline Application [Implemented]***

A review of the role of the outline application was undertaken. The project successfully sought to reduce the time needed to process an outline application with the aim of increasing staff and stakeholder satisfaction and reducing the level of paperwork going to European Structural Investment Fund sub-committees. This project has had the following benefits and outcomes:

- Streamlined assessment form
- Reduced time to complete assessment
- Quicker approvals
- Increased customer satisfaction

### ***2. Full Application and Appraisal [Implemented]***

The project looked at streamlining full application and appraisal processes, simplifying the application and appraisal forms, aligning them more effectively with the outline and improving how MAs engage with partners to improve the quality of the applications. This project has led to the following benefits and outcomes:

- Simplified form
- Checklist for applicants
- Meet the team sessions to share common issues
- Better quality applications
- Reduced time to complete appraisal
- Quicker approvals
- Increased customer satisfaction

### ***3. Grant Funding Agreements [Implemented]***

The project looked at defining a clearer and consistent approach to the finalisation of grant funding agreements, it developed standard clauses with legal for use in funding agreements helping to reduce risk of delays whilst legal advice is sourced, the project designed a template to make it clear to staff what was required for final sign-off.

- A clear and consistent process for final sign-off of GFA
- Reduced referrals to legal alongside greater legal certainty
- Reduced time to issue GFA
- Increased customer satisfaction

### ***4. Procurement Checks [To be implemented Q1 2017]***

The project looked at how the effectiveness of the OJEU procurement check could be improved to improve consistency and provide greater assurance for both partners and MAs. Benefits included:

- A saving of staff time per procurement check
- Reduced number of requests for information from applicants

## **5. On the Spot Visits [Implemented]**

The project identified 4 recommendations to improve communication and information sharing which has improved coordination and established protocols for file management and shared access to information and joint actions spread sheet so responsibility is agreed and shared between teams.

- A saving of staff time per visit.
- Clearer communication between MAs and partners.
- Establishment of agreed protocols.

## **6. Project Inception Visit [To be implemented Q1 2017]**

. The project is looking at how to simplify the process and associated forms to improve coordination with the full application and align it better with the On the Spot Check Visit. Benefits have included the following:

- A more structured and logical PIV form.
- Quicker sign-off of PIV report.
- Prompter payment of first claim.

## **7. Project Closure [Implemented]**

The project looks at how we could streamline the project closure process while still ensuring we satisfy the Commission requirements. Capturing and learning from the closure of the 07/13 programme the project has standardised the closure process, made it clear at which point of the process applicants need to provide certain information/documentation and developed a report to monitor progress. This will speed up the closure process and ensure the MA can submit the final declaration to the Commission more quickly.

- Reduced time to complete a closure report.
- Prompt payment of the applicant's final claim.
- Quicker submission of MA declaration to the Commission.

## **8. Decision making and Governance [To be implemented Q1 2017]**

The project is looking at how we can further make the decision-making process transparent to ensure clear ownership and accountability. A number of surveys have been undertaken by the project team to better understand the issues, which will be used to define a clearer process.

- Greater transparency of the decision -making process
- Clearer communication
- Greater staff engagement

## **9. ERDF Claims [To be implemented Q1 2017]**

This project is in its early stages but will aim to ensure more effective and streamlined claim processes to reduce risks of delay, ensure claims are submitted on time and paid within the agreed service level agreement of 20 working days. Anticipated benefits to include:

- Reduced time to pay a claim
- Increased customer satisfaction
- Reduced risk of a penalty being imposed by the Commission for not meeting spend targets.