

**ESI Funds Growth Programme Board****ESIF Business Process: Engagement Of ESIF Committees in the  
Assessment of Funding Applications at Full Application Stage.****Purpose:**

This paper seeks Growth Programme Board approval to revise the terms of reference of the local ESI Fund sub-committees to:

- enable local sub-committees to decide whether they wish to review applications for funding at both the outline application and the full application stage
- clarify the relationship between intermediate bodies and local ESI Fund sub-committees

**Recommendation(s):**

That the Growth Programme Board agrees the revisions to the local ESI Fund sub-committee terms of reference as set out in appendix 1.

**Issue:**

**Advice on Full Applications.** The local ESI Fund sub-committee (the committee) terms of reference require the ESIF managing authorities to seek committee advice on funding applications at both the outline and full application stage.

The ERDF managing authority's no deal planning identified an opportunity to expedite the approval of ERDF funding applications by removing the requirement to seek committee advice at both stages of the process. This reflects feedback from partners and the subsequent findings of the evaluation of the ESIF business process.

The managing authorities value the input of local partners. In order to maintain committee engagement in the process and where possible expedite the approval of funding, the managing authorities propose to give local ESIF sub-committees the ability to opt out of reviewing projects at both stages.

Implementing the changes set out in appendix 1 would mean that:

- all projects seeking ERDF funding will be presented to the committee at outline application stage
- the committee will be asked if it wishes to review the project at full application stage, this decision will be formally recorded

- if the committee wishes to review the project the full appraisal will be presented to the committee – no change from the existing process
- if the committee does not wish to review the full application the managing authority will conclude the appraisal process without any further input from the committee, unless there are significant changes to the project, in which case the managing authority will seek the committee's advice

As DWP has removed the outline stage from the ESF business process, local committees will continue to provide advice on all ESF applications at full application stage. Should the ESF managing authority reinstate the two stage business process, ESF applications would be managed in the same way as ERDF applications.

**Role of Intermediate Bodies.** An ESF systems audit identified that the committee terms of reference do not accurately reflect the role of intermediate bodies in the business process. The proposed wording at appendix 1 clarifies the position.

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**29<sup>th</sup> July 2019**

**Marking**

Official

## Local ESI Fund Sub-Committee Terms of Reference

### Current Text.

Outline and full applications

31. Applications will be received by the Managing Authorities from potential beneficiaries, at outline and full application stages.

32. The Managing Authorities will assess such applications against the Project Selection Criteria that have been agreed by the respective PMC.

33. The Managing Authorities will provide an assessment report for each application. This report will provide a synopsis of the project (which will be repeated verbatim from the application) and outputs, results and financial data. Once this report has been completed by the Managing Authority, it will be circulated to the relevant LEP areas ESI Funds sub-committee(s).

34. The LEP area ESI Funds sub-committee will provide minuted oral advice to aid the assessment of the Managing Authorities. The advice provided by partners will be in relation to the extent to which the proposed activity meets local strategic needs, provides good value for money and is in line with domestic strategic priorities.

### Suggested Text

Outline and full applications

31. Applications will be received by the Managing Authorities from potential beneficiaries, at outline and or full application stages. The Managing Authorities (and where established Intermediate Bodies<sup>1</sup>) will assess such applications against the Project Selection Criteria that have been agreed by the respective PMC.

32. The LEP area ESI Funds sub-committee will provide minuted oral advice to aid the assessment of the Managing Authorities (and where established Intermediate Bodies). The advice provided by partners will be in relation to the extent to which the proposed activity meets local strategic needs, provides good value for money and is in line with domestic strategic priorities.

33. The Managing Authorities (and where established Intermediate Bodies) will seek the LEP area ESI Funds sub-committee advice on applications in the following way:

33.1 Where a two stage process of outline and full applications is used:

- the LEP area ESI Funds sub-committee will be asked to provide advice on the outline application, this will be done via a report prepared in accordance with paragraph 34
- having received its advice the Managing Authority will agree with the LEP area ESI Funds sub-committee whether it wishes to review the project at full application
- if the committee wishes to review the project at full application a report will be provided in accordance with paragraph 34

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<sup>1</sup> Other than those established for the purposes of Sustainable Urban development – Annexe A refers [no changes are proposed to Annexe A].

- if the LEP area ESI Funds sub-committee does not wish to review the full application the Managing Authority (and Intermediate Body) will conclude the appraisal process without seeking further input from the LEP area ESI Funds sub-committee
- if the LEP area ESI Funds sub-committee states it does not wish to review the full application and during the appraisal process the Managing Authority (or Intermediate Body) identifies changes to the project, which in the opinion of the Managing Authority (or Intermediate Body) may have a material impact on the advice provided on the outline application, the Managing Authority will advise the LEP area ESI Funds sub-committee of the changes and seek further, updated advice

33.2 Where a single stage, full application only process is used:

- the LEP area ESI Funds sub-committee will be asked to provide advice on the full application, this will be done via a report prepared in accordance with paragraph 34

34. When seeking advice from the LEP area ESI Funds sub-committee the Managing Authorities will provide an assessment report for each application. This report will provide a synopsis of the project (which will be repeated verbatim from the application) and outputs, results and financial data. Once this report has been completed by the Managing Authority (and Intermediate Body), it will be circulated to the relevant LEP areas ESI Funds sub-committee(s) in line with the approach set out in paragraph 33.

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