

ESI Funds Growth Programme Board

ERDF Reserve Fund in the England ESI Funds Growth Programme

Purpose:
To update the Growth Programme Board (GPB) on the development of the ERDF Reserve Fund
Recommendations:
The GPB to note progress to date and provide any observations.

Introduction

1. This paper looks to respond specifically to the next steps agreed at the June GPB. These specifically being that MHCLG will provide the GPB with the following further information at meetings scheduled in September:
 - The communication plan;
 - The finalised business process maps;
 - Further detail on the prioritisation process; and
 - The first drafts of the call templates.
2. These papers were discussed at the PDR sub-committee meeting on 28th August and have been updated in light of comments made. Other observations have been reflected in this paper.

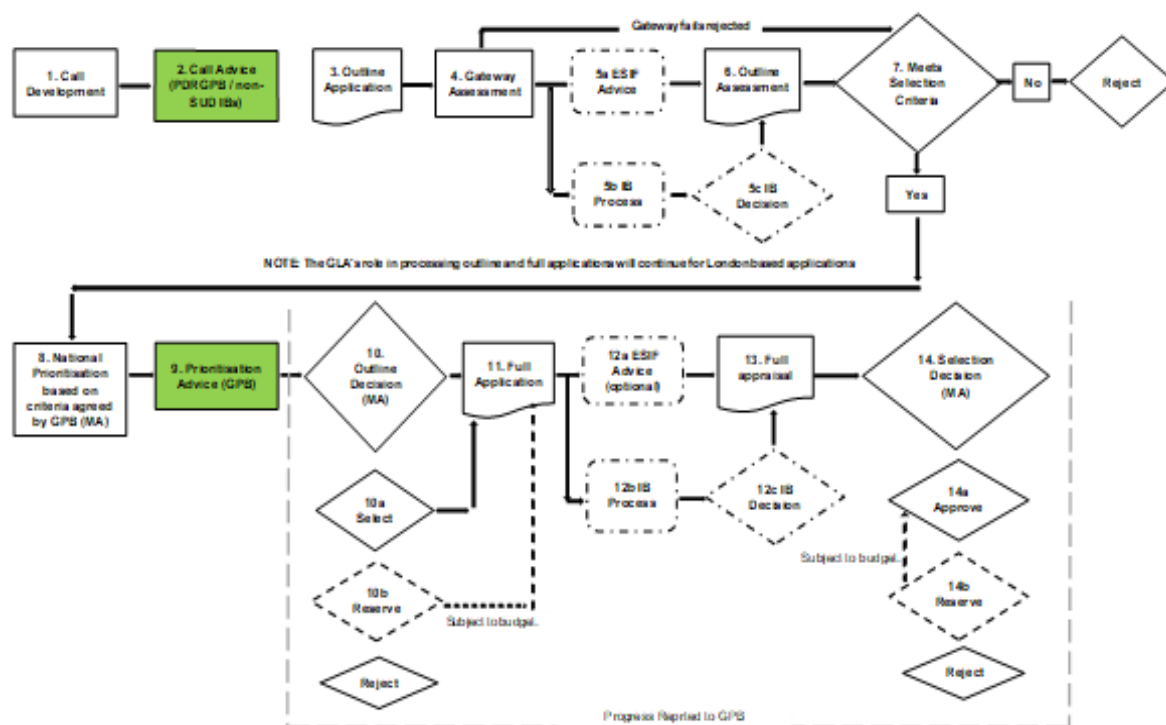
The Communications Plan

3. The communication strategy and accompanying action plan is attached at **Annex A**.
4. The strategy's aims are to:
 - raise awareness and understanding of the Reserve Fund, with clear information on the timeline and main objectives internally and externally;
 - be transparent about the selection process and the delivery of the Reserve Fund; and
 - prepare the market to the establishment of the Reserve Fund and the shift in focus towards England wide calls, more multi-LEP activity and projects that support integrated packages in line with the Industrial Strategy.
5. The communication action plan sets out a wide-ranging list of activities to promote the Reserve Fund in a way that meets these aims. **We would welcome GPB members views on this.**

6. In response to comments from the PDR communications with external stakeholders will be low key until the June calls have closed at the end of September.

Finalised Business Process Map

7. The diagram below sets out the over-arching framework for the Reserve Fund business processes:



8. At the PDR meeting box 7 of the diagram was queried. For clarity, projects that do not meet the requirements of the selection criteria at outline stage, are ineligible to progress to full application and will be rejected. Projects that meet selection criteria will be included in the national prioritisation exercise.
9. Following discussions at previous PDR and GPB meetings and further development by MHCLG, this has now been agreed as the over-arching framework for the Reserve Fund business processes.

Reserve Fund Prioritisation Process

10. Progress on the development of the Reserve Fund prioritisation process is attached at **Annex B. We would welcome GPB members views on this.**
11. At the PDR meeting the Managing Authority (MA) clarified that prioritisation will only occur in the event that demand for funding exceeds what is available in a priority axis (PA) by category of region (CoR). Local partners will inform the prioritisation decision

through their advice; however, the final decision will be taken by the MA as is currently the case.

Draft Call Templates

12. Progress on the development of the Reserve Fund call and a draft of Reserve Fund call template are attached in **Annexes C and D. We would welcome GPB members views on whether there is any additional activity that we could undertake.**

13. At the PDR discussion the MA made the following points of clarification:

- MHCLG is exploring the scope to improve programme flexibilities that are available in the event of a no-deal on the basis of a domestic framework; however the rules governing the Treasury Guarantee currently severely limit that scope; and
- MHCLG recognises that the more complex pan-LEP projects will need time to crystalize and apply for funds. The Comms strategy recognises this and seeks to be signalling the market as soon as possible. Pan-LEP activity should be locally driven with GDTs helping facilitate discussions where required.

Next Steps

14. The papers will be reviewed and finalised following discussion with the GPB. Written comments to be provided by COP 30th September.

15. At the November/ December meetings of the PDR/ GPB MHCLG will provide:

- The call values;
- The call templates for finalisation; and
- The prioritisation process for agreement¹.

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ERDF Managing Authority
11/09/2019

¹ There was an additional action regarding SUD calls, but this has already been addressed. It has been concluded that the last date for SUD calls will be January 2020.

Annexes

Annex A - Reserve Fund Communications Strategy

Annex B - Reserve Fund Prioritisation Discussion Paper

Annex C - Reserve Fund Call Discussion Paper

Annex D - Draft Reserve Fund Call Template