



## **Item 2: National Sub-Committee Report**

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## **ESI Funds Growth Programme Board**

### **Summary Report from the National Sub-Committees**

#### **Purpose:**

This paper summarises business at National Sub-Committee meetings held in the last quarter. It lists their current membership and covers:

1. Communications Sub-Committee
2. Employment, Skills & Social Inclusion Sub-Committee
3. Equalities & Diversity Sub-Committee
4. Evaluation Sub-Committee
5. Performance & Dispute Resolution Sub-Committee
6. Smart Specialisation Sub-Committee
7. SME Competitiveness Sub-Committee
8. Sustainable Growth and Development Sub-Committee
9. Sustainable Urban Development Sub-Committee

#### **Recommendations:**

That the Growth Programme Board notes the report.

**Sophie Waddington**  
**GPB Secretariat**  
**23 June 2020**

## Communications Sub-Committee

### Membership

- **Rob Martell (Chair)**  
MHCLG
- **James Ritchie**  
(Deputy Chair) DWP
- **Richard Davies**  
BEIS
- **John Hacking**  
Third Sector  
National Learning  
Alliance
- **Karen Clarke**  
SEMLEP
- **Aurore Parkin**  
Cornwall & Isles of Scilly
- **Simon Eleftheropoulos-  
Weatherburn**  
Big Lottery
- **Laure Farret**  
GLA
- **Matt Smart**  
Oxford University
- **Mark Herbert**  
DEFRA

1. The Communications Sub-Committee last met on 8 October 2019.

## Employment, Skills and Social Inclusion Sub-Committee

### Membership

- |   |  |  |
|---|--|--|
| • <b>Steve Spendlove</b><br>(Chair)<br>DWP              | • <b>Zahra He-Li</b><br>Department for Education         | • <b>Nicola Radford</b><br>Coastal Communities Alliance      |
| • <b>Chris Ball</b><br>Newcastle University             | • <b>Sebeail Fowell</b><br>Cornwall Council              | • <b>Laura-Jane Rawlings</b><br>Youth Employment UK          |
| • <b>Joanna Cain</b><br>WEA                             | • <b>Gabrielle Melvin</b><br>Office for Civil Society    | • <b>Stacey Sleeman</b><br>Cornwall Council                  |
| • <b>Nick Campbell</b><br>DWP                           | • <b>John Moyer</b><br>DWP                               | • <b>Nick Small</b><br>LEP Network                           |
| • <b>Catherine Crocker</b><br>Greater London Authority  | • <b>Sue Ormiston</b><br>National Lottery Community Fund | • <b>Marc Vermyle</b><br>European Commission                 |
| • <b>Eleanor Dearle</b><br>Local Government Association | • <b>Hitesh Patel</b><br>Citizens Advice                 | • <b>Iain Wishart</b><br>Education and Skills Funding Agency |

1. This meeting was done via telekit. Members were provided with papers detailing the performance update for the Programme – based on data supplied at GPB the week previous.
2. The meeting was predominantly focused on the ESIF response to COVID-19; advising the committee on what has been done so far:
  - a. Namely a Q&A log capturing FAQs and this has been published on gov.uk
  - b. Unpublished Calls have been deferred
  - c. All Applicants to be contacted to see if they wish to continue with their application and if the activities are still relevant
 And, what is currently being done:
  - a. Consideration of what easements the Commission are able to offer in response to the Corona crisis.
  - b. Reserve Fund has been paused and will be refocused.
3. The next meeting is scheduled for 24 June 2020.

## Equality & Diversity Sub-Committee

### Membership

- **Steve Spendlove**  
(Chair)  
DWP
- **Alan Beazley**  
Employers' Network for  
Equality and Inclusion
- **Nick Campbell**  
DWP
- **Duncan Carnie**  
DWP
- **Richard Corfield**  
MHCLG
- **Gary Craig**  
Professor of Social  
Justice
- **Catherine Crocker**  
Greater London  
Authority
- **Tamara Flanagan**  
New Europeans  
Association
- **Helen Millne**  
Third Sector
- **Sue Ormiston**  
National Community  
Lottery Fund
- **Sharon Long**  
Partnership for Young  
London
- **Rachel Quinn**  
D2N2 Social Inclusion &  
Equalities Advisory  
Group
- **Shafqat Rahim**  
ESFA
- **Peter Riley**  
Manchester  
Metropolitan University
- **Marc Vermyle**  
European Commission
- **Mike Walton**  
MHCLG

1. The Equality and Diversity Sub-Committee met on 17<sup>th</sup> February 2020.
2. The MA updated Committee members on the N+3 Target position - the 2019 in-year target was exceeded by 9.62%. The over-achievement is taken forward into N+3 2020. In year performance is strong – should performance continue at the current claim rate (91%) we anticipate achieving the N+3 2020 target by Q2 2020.
3. Members were also updated on the approach and achievement to date within the ESF Managing Authority to deliver Equality and Diversity training. All staff have been trained, with further rounds of training scheduled for newly recruited staff. Specialist organisations are being invited to input to the training.
4. An update was given on the work across the Programme to track and report against equality and diversity issues. Outputs and Results tables are now set out by Category of Region and gender. In addition, an update was given on the work within the Sub-Committee to progress equality reporting within the ERDF Programme.
5. Members confirmed the potential role of the Sub-Committee to ensure the Equality and Diversity platform is taken forward and lessons learned into the successor programme.
6. The next meeting is scheduled for 16 June 2020.

## Evaluation Sub-Committee

### Membership

- |  |  |  |
|--|--|--|
| • <b>David Morrall</b><br>Chair, MHCLG             | • <b>Simon Jones</b><br>Deputy Chair,<br>MHCLG | • <b>Sophia Peacock</b><br>Secretariat, MHCLG          |
| • <b>John Osborne</b><br>MHCLG                     | • <b>Nisha Patel</b><br>MHCLG                  | • <b>Peter Sutton</b><br>MHCLG                         |
| • <b>Nicholas Campbell</b><br>DWP                  | • <b>Derek Egan</b><br>DEFRA                   | • <b>Sarah Haley</b><br>DEFRA                          |
| • <b>Jean Davis</b><br>DEFRA                       | • <b>Stuart Roddam</b><br>BEIS                 | • <b>Marianne Law</b><br>BEIS                          |
| • <b>Yi Zhang</b><br>BEIS                          | • <b>Emily Sumner</b><br>BEIS                  | • <b>Peter Wills</b><br>Cornwall Council               |
| • <b>David Campbell</b><br>BEIS                    | • <b>Neil Evans</b><br>Hatch Regeneris         | • <b>Sue Parkinson</b><br>North East LEP               |
| • <b>Konstantina Dimou</b><br>DCMS                 | • <b>Prabhat Vaze</b><br>Belmana               | • <b>Francis Lee</b><br>Cheshire and Warrington<br>LEP |
| • <b>Anthony Mtitimila</b><br>Liverpool University | • <b>Phil Smith</b><br>Business West           | • <b>Marc Vermyle</b><br>EC                            |
| • <b>Capucine Riom</b><br>LSE                      | • <b>Anne Lythgoe</b><br>Social Audit Network  |  |
| • <b>Robyn Owen</b><br>Middlesex University        | • <b>John Hacking</b><br>Network for Europe    |  |

1. The Evaluation Sub-committee met on 2 March 2020 and has not met since.
2. Members were updated on progress on the ERDF National Evaluation by Neil Evans from Hatch Regeneris, who outlined on-going work on the Summative Assessment Review, Beneficiary Survey, and Interim Counterfactual Impact Evaluation. The evaluators highlighted challenges relating to the quality of data, which has been lower than expected, both in relation to beneficiary data and the SA final reports.
3. The MA updated the committee on work being undertaken by the ERDF Policy Team to address challenges on the quantity and quality of SAs, including working closely with Evaluation Champions, updating the Guidance, reviewing processes, taking on more quality assurance work, and plans to engage directly with Grant Recipients.
4. Members were given an update on both the ESF and RDPE evaluation programmes, both of which are still collecting data but are also reporting interim survey and impact findings. ESF are also employing CIE methods and areas of overlap between the evaluation programmes was discussed.
5. The next meeting will be in the summer to coincide with the National Evaluation Phase 2 Report, date TBC.

## Performance & Dispute Resolution Sub-Committee

### Membership

- |  |  |   |
|--|--|---|
| • <b>David Morrall (Chair)</b><br>MHCLG                          | • <b>Stuart Scott</b><br>GLA                                       | • <b>Phillip Woods</b><br>IB network              |
| • <b>David Malpass</b><br>MHCLG                                  | • <b>Keith Harrison</b><br>Action for Communities in<br>Rural Kent | • <b>Heather Waddington</b><br>Core Cities        |
| • <b>Simon Jones</b><br>MHCLG                                    | • <b>Justin Martin</b><br>DEFRA                                    | • <b>John Hunt</b><br>College                     |
| • <b>Sylvain Alem</b><br>MHCLG                                   | • <b>Emily Kent</b><br>Cornwall & Isles of Scilly                  | • <b>Guus Muijzers</b><br>DG Regio                |
| • <b>Jackie Tinkler</b><br>DWP                                   | • <b>Helen Milne</b><br>Third Sector                               | • <b>Jo Lappin</b><br>LEP Network                 |
| • <b>Mary-Louise Harrison</b><br>LEP Network (more<br>developed) | • <b>Richard Davies</b><br>BEIS                                    | • <b>James Newman</b><br>LEP Network (transition) |
| • <b>David Pratt</b><br>Higher Education                         | • <b>Richard Powell</b><br>Local Nature<br>Partnerships            | • <b>Carol Ownsworth</b><br>Third Sector          |
| • <b>Paul Green</b><br>Local Government (LGA)                    |  | • <b>Pernille Kousgaard</b><br>MCA                |

1. Since March the Performance & Dispute Resolution Sub-Committee met five times:
  - a. On the 25 March, the 8 and 22 April and 4 the May for four extraordinary sessions; and
  - b. On the 14 May for the regular quarterly meeting.
2. At the extraordinary sessions the main discussion was around the response to the Covid-19 pandemic, the use of the remaining allocation of the programmes to support the post Covid-19 economic recovery and the flexibilities offered by the Coronavirus Response Investment Initiative Plus.
3. On the 14 May the main ESF discussion was around the Reserve Fund and project appraisals. Members sought clarification on the quantum of finance available for the Reserve Fund and asked about project applications. DWP confirmed their intention to re-evaluate applications that have been paused considering new priorities and explained that the Reserve Fund quantum had to be reduced to £212m to reflect changes in FOREX and to account for new projects contracted and TA.
4. The ERDF discussion began by considering FI recapitalisation. MHCLG explained that only two FIs (the Midlands Engines and the Northern Powerhouse) were forecasting full investment, that this was closely monitored but that it was too early in the programme to recapitalise FIs. In addition, MHCLG highlighted that the recent extension of the bank loan schemes to the smaller end of the market may induce a drop off in applications for support.
5. MHCLG provided an update on the review of the pipeline of applications. MHCLG outlined options, next steps and how they would engage with partners. Challenges for the review were highlighted including resource constraints as GDT staff have moved to RED and

the mismatch of current application scope with the current specific business and local authority support needs.

6. MHCLG also set out a potential use of some of the remaining allocation for a new fund to support the safe re-opening of high streets. For the new fund, this needed to align with other Government department initiatives. Members welcomed the new fund proposal and asked clarification on the scope, the quantum and the timeline and the application process. MHCLG agreed that a normal call process would not work and said that they would look to streamline the process to be as responsive as possible. On the quantum, MHCLG explained that this was still early thinking and more modelling needed to be done to agree on a figure. On the scope, MHCLG clarified that the intention was to provide support to Local Authorities (LAs). The LAs would have discretion on the use of the fund within the context of the main project but that compliance to EU funding regulations would need to be respected.

7. The next extraordinary meeting is scheduled on 4 June 2020 and the next quarterly meeting on 3 September.



## Smart Specialisation Sub-Committee

### Membership

- **Paul Drabwell (Chair)**  
BEIS
- **Farhana Quasem**  
(Secretariat), BEIS
- **Tricia Allen**  
MHCLG
- **Nicholas French**  
BEIS
- **Prof Stephen Roper**  
Warwick Business School
- **Prof Roy Sandbach**  
Newcastle University
- **Jen Rae**  
NESTA
- **Gillian Docherty**  
The Data Lab
- **Prof Joe Sweeney**  
Lancaster University
- **Melanie Knetsch,**  
ESRC
- **Andrew Carter**  
Centre for Cities
- **Prof John Goddard**  
Newcastle University
- **Mark Duddridge**  
Cornwall & Isles of Scilly  
LEP

1. The sub-committee last met on 11 December 2018 and has not met since, there are no substantive updates to make.

## SME Competitiveness Sub-Committee

### Membership

- |   |   |  |
|---|---|--|
| • <b>To be confirmed</b><br>Cities & Local Growth | • <b>Sean McKee</b><br>London Chamber of<br>Commerce      | • <b>Clive Lewis</b><br>Inst. Chartered<br>Accountants in England &<br>Wales |
| • <b>Tim Courtney</b><br>BEIS                     | • <b>Glenn Collins</b><br>Inst. Chartered<br>Accountants  | • <b>John Goodman</b><br>Co-operatives UK                                    |
| • <b>David Morrall</b><br>MHCLG                   | • <b>Allie Rennison</b><br>Institute of Directors         | • <b>Matt Silver</b><br>Cornwall & Isles of Scilly                           |
| • <b>John Bennett</b><br>MHCLG                    | • <b>Dominic Williams</b><br>Fed'n of Small<br>Businesses | • <b>Dawn Whiteley</b><br>National Enterprise<br>Network                     |
| • <b>John Horseman</b><br>MHCLG                   | • <b>Thomas Parry</b><br>Forum of Private<br>Business     | • <b>Ruth Lowbridge</b><br>Sector Skills for<br>Enterprise                   |
| • <b>Joe Manning</b><br>Cities & Local Growth     | • <b>Lee Hopley</b><br>Engineering Employers'<br>Fed      | • <b>Louise Bennett</b><br>Chambers of Commerce                              |
| • <b>Karen Leigh</b><br>Cities & Local Growth     | • <b>Richard Kendall</b><br>Humber LEP                    | • <b>Mike Spicer</b><br>Chambers of Commerce                                 |

1. The sub-committee last met on 14 May 2018 and have not met since, there are no substantive updates to make.

## Sustainable Growth and Development Sub-Committee

### Membership

- |  |  |   |
|--|--|---|
| <ul style="list-style-type: none"> <li>• <b>Patrick Allcorn</b><br/>(Chair)<br/>BEIS</li> <li>• <b>Mark Joslyn</b><br/>MHCLG</li> <li>• <b>Duncan Carnie</b><br/>DWP</li> <li>• <b>Paul Nolan</b><br/>Mersey Forest</li> <li>• <b>Phil Woods</b><br/>Cornwall &amp; Isles<br/>of Scilly</li> <li>• <b>Mark Atherton</b><br/>New Economy,<br/>Manchester</li> </ul> | <ul style="list-style-type: none"> <li>• Durham County<br/>Council</li> <li>• <b>David Read</b><br/>MHCLG</li> <li>• <b>Ian Whale</b><br/>MHCLG</li> <li>• <b>Graeme Kerr</b><br/>Natural England</li> <li>• <b>Carly McLachlan</b><br/>Tyndall Centre</li> <li>• <b>Chris Saville</b><br/>Environment<br/>Agency</li> <li>• <b>Paul Bourgeois</b><br/>Greater<br/>Cambridgeshire &amp;</li> </ul> | <ul style="list-style-type: none"> <li>Greater<br/>Peterborough LEP</li> <li>• <b>John Osborne</b><br/>MHCLG</li> <li>• <b>Emma Friend</b><br/>DEFRA</li> <li>• <b>Richard Powell</b><br/><b>OBE</b><br/>Chair, Wild Anglia<br/>CIC</li> <li>• <b>Aled Jones</b><br/>Anglia Ruskin<br/>University</li> <li>• <b>Phil Larkin</b><br/>National Trust</li> </ul> |
| <ul style="list-style-type: none"> <li>• <b>Richard Hurst</b></li> </ul>   |  |   |

1. The committee meet on the 17 October 2019.
2. The next meeting of the Sub-Committee has not yet been scheduled.

## Sustainable Urban Development and Urban Agenda Sub-Committee

### Membership

- |   |   |   |
|---|---|---|
| • <b>David Morrall (Chair)</b><br>MHCLG | • <b>Heather Waddington</b><br>Leeds City Region        | • <b>Huw Jenkins</b><br>Liverpool City Region         |
| • <b>Iain Derrick</b><br>MHCLG          | • <b>Stuart Scott</b><br>Greater London Authority       | • <b>Robin McDowell</b><br>Bristol City Council       |
| • <b>Garry White</b><br>MHCLG           | • <b>Lloyd Broad</b><br>Greater Birmingham and Solihull | • <b>Jem Woolley</b><br>Nottingham City Council       |
| • <b>Glyn Darbyshire Evans</b><br>MHCLG |   | • <b>Alison Gordon</b><br>Manchester City Council     |
| • <b>Sam Lucas</b><br>MHCLG             | • <b>Felix Kumi-Ampofo</b><br>Sheffield City Region     | • <b>Maggie O'Carroll</b><br>The Women's Organisation |
| • <b>Peggy Haywood</b><br>MHCLG         | • <b>Teresa Kirby</b><br>Newcastle City Region          | • <b>David Anderson</b><br>Scottish Government        |

1. The sub-committee has not met since 28<sup>th</sup> March 2019, however an update is provided in this report.
2. The current position in implementing each of the nine Sustainable Urban Development (SUD) strategies is as follows:

- **North East.** c£5.9m remains available, of which £2m falls in PA5. Notwithstanding several PA5 open calls launched throughout the programme period, demand for PA5 funds in the North East More Developed area has not materialised. This is attributable to a range of factors including eligibility, timing and availability of match funding. Following advice from the North East SUD Advisory Group and the North East ESIF sub-committee, the managing authority has moved the £2m PA5 funds out of the North East SUD area to fund PA5 flood alleviation schemes in Leeds City Region, where demand has exceeded available budget. The movement of funds has reduced the North East SUD allocation from £21.5m to £19.5m. A final North East SUD call was launched in January 2020 for PA4 activity with a view to utilise the remaining c£4m headroom of low carbon funds and help maximize the take up of the NE SUD allocation.
- **West Yorkshire CA.** Five calls have been published to date, one of which remains open until 30 June 2020 for the remaining allocation of c£5m of the overall c£18m allocation. Only one of the five outline applications received in response to the first call for proposals has progressed to contract. Eight applications were received in response to a second call, of which four were deselected/withdrawn, the remaining four are now contracted. One application was received in response to a third call, which is developing a full application. Two applications were received in response to a fourth call, one of which has passed the outline stage and is developing a full application. Two applications were received in response to the fifth call for proposals and are developing full applications. In total five projects are now contracted, c£8m and four are at full application stage, c£4.6m.

- **Greater Manchester CA.** The latest SUD calls closed in April and June 2019. Three applications were submitted in these two calls and all are at full application stage and in appraisal. 93% of the allocation has been utilised with £765,497 remaining.
- **Sheffield CR.** One call has been published in respect of the c£9.7m allocation and is now closed. Four applications were received of which three have been contracted representing c£9.3m, 95% of the allocation. The remaining allocation of c£440K has been absorbed through a project change request. No further calls will be published.
- **Nottingham CC.** There is one project in delivery under the Nottingham SUD Strategy. The final call closed on 10 March and outline assessments were considered by the SUD Committee in April. The SUD Committee supported 7 projects. Although there is sufficient budget in the SUD Allocation to afford all 7, there is insufficient budget under priority axis 3 and excess priority axis 4. The Managing Authority is seeking advice from the D2N2 ESIF Sub-committee to exchange £527k of the unused Priority Axis 4 from the SUD allocation with £527k of Priority Axis 3 funding recently released back into the D2N2 allocation. A paper is currently with the D2N2 ESIF Sub-committee for their advice on these changes which would allow all 7 of the projects supported by the SUD Committee to be invited to full. The combined value of the live project and the 7 projects supported at outline is £10,978,941 which is just below the overall Nottingham SUD allocation.
- **Birmingham CC.** The strategy is built around the development of HS2 and environmental improvements at three nodes on the route. There are two active applications totalling £1.963m; one at appraisal, the other is at the contracting stage. The current sterling value of the SUD allocation is £11.743m (PA4 £7.316m; PA6 £4.427m). Of the PA4 allocation, £6.150m remains to be allocated; for PA6 the figure is £3.630m. A third, and final, call has been published seeking further outline applications for the remaining funds. This was due to close in March 2020, but this has been extended to the end of June 2020.
- **London.** All of London's ERDF allocation contributes to SUD. As at May 2020, the allocation is near-fully committed (this includes live projects and applications in the pipeline). Live projects represent an 85% commitment level. The pipeline mostly comprises the award of additional ERDF to projects, so attrition is expected to be minimal.
- **Liverpool City Region:** Two full applications have been approved, and the grant funding agreements issued, which utilises the full allocation.
- **Bristol SUD region:** The first call was launched on 5 October 2018, utilising the full £3m ERDF PA3 and PA4 SUD allocation. One outline application for just PA3 worth £2 million ERDF was received. An invitation was subsequently made to Bristol CC, the applicant to prepare a Full Application. During its preparation the council requested if they could progress with the revenue part of their application separately due to delays in the capital part of the project. This was agreed by the SUD committee and Bristol CC subsequently submitted a full application for 857,530K which has now been contracted and signed off. A PIV is now due to take place on the 25<sup>th</sup> June 2020. A capital outline application bid for 1.2m was then submitted in response to a further call for PA4/PA3, utilising the remaining allocation for PA3. The project has now been invited to submit a full application which is due on the 19th June 2020. One further call for the remaining £1m of PA4 monies closed on the 13<sup>th</sup> May 2020. One outline application from Bristol CC was received

which has passed the gateway assessment and is currently being assessed by both the MA and the IB.

3. The MA has carried out performance review meetings with all the city authorities designated as devolved Intermediate Bodies, to discuss progress in implementing their SUD strategies.
4. In the latter half of 2019 the Audit Authority carried out a detailed systems audit into the effective functioning of the devolved Intermediate Bodies and how MHCLG, as Managing Authority, monitors their performance. The final audit report was Grade 1 unqualified (works well, with no or only minor improvements needed).
5. The next meeting of the sub-Committee has not yet been scheduled.