European Union
European Structural and Investment Funds

GPB20211207 Item 4(i)
European Structural and Investment Funds
2014 - 2020

Growth Programme for England

Minutes of the Growth Programme Board
11:30 Tuesday 21 September 2021
Microsoft Teams

Agenda

1. Welcome and Introduction
2. Progress on Programmes*
3. FI update – ERDF
4. Project Presentation ESF
5. Minutes of December Meeting and progress on Actions*
6. Items for information*
7. Any other business

*Agenda items marked * were accompanied by Board papers*

Minutes

Item 1: Welcome and introductions

1. **Jenny Dibden** welcomed Board Members and substitutes and advised that apologies received would be recorded in the minutes. She also advised that the meeting was being recorded and transcribed.

2. **Jenny Dibden** asked the board for any conflicts of interest, **James Newman** declared that on Financial Instruments he was still Chair of Finance Yorkshire, which had just launched its new 'legacy fund'**. Jenny** asked **David Read** to outline, at the beginning of Financial Instruments update item, areas he would be covering so that James could decide whether he needed to recuse himself at that point. Huw Edwards declared that on the EMFF item he was a trustee of the Derbyshire Wildlife Trust and the Wildlife Trusts have significant interests in the some of the Fisheries points.

3. **Jenny Dibden** invited board Members to say if they had anything they wished to include under **Items for Information.** No items were received.

4. **Jenny Dibden** then handed the Chair over to **David Malpass** (for the next hour as she was required in another meeting) and for him to present the next agenda item.

Item 2: Progress of Programmes

<u>European Regional Development Fund (ERDF)</u>

5. **David Malpass** presented the ERDF report summarising the key points from the circulated Progress Update paper.

6. **David Malpass** explained that the circulated paper contained info and data up to the end of June but his slides were a bit of an update on that, being correct up to the end of August.

7. Key headlines – 93% of ERDF in England is committed, with over 55% of the commitment level paid out. A number of Covid claims, worth around £58m, have not been processed into the commission as more evidence is required from projects. Payments are being made steadily on claims but David specifically has his eye on trying to improve the speed of this work.

8. 264 of just over 1,000 projects are moving into closure as closure claims are paid and projects start to be closed down. Quite a few are requesting extensions, which is not unexpected as the final call provided the chance for extensions up to the end of the programme.

9. In terms of claims, there's been a heavy focus on paying these during the Covid period. 8,291 claims have been paid out to projects in total worth £1,550m (roughly half the programme money). 751 claims are being processed and a further 468 are due but not yet in. Important to flag some of the flexibilities introduced, particularly in response to Covid (as some project struggle to access evidence etc.), means there is some catching up to do on checking. Most projects are now producing full evidence.

10. Looking at the spend rate against the overall programme, a €381m payment claim has just been submitted into Brussels, which means the effective achievement of the 2022 N+3 target. This means that dangers of de-commitment of the funds are very low. Still a need to see claims coming in for High Streets projects (which are 100% ERDF funded). The project itself has been extended to provide additional time for money to be spent. Closure within a certain timeframe does impact on the exposure to audit so timely closure work is important.

11. Covid claims have been quite light touch in terms of evidence provided. But in many cases more evidence is required before being submitted to the Commission as once that is done, the whole claims process is subject to audit.

12. On PA3 Transition, one concern was output performance in transition areas. This is a trend across the programme where spending the money has not been as straightforward as in more developed and less developed areas. PA3 is particularly large, given it is the SME support area, so performance on PA3 in transition areas is an area of particular focus.

13. One key element of this programme which is really innovative and which has virtually all Local Authorities taking part in are the High Street and Welcome Back Funds. Activities have started but at a slightly slower pace than would have been liked so partner support in giving a nudge to local authorities on the submission of claims (we've only had about £20m worth of claims so far) would be appreciated. Programme is now extended into next year so Local Authorities do have a bit more flexibility on what they can spend their money on and a bit more time to do it. But intention is to tie it all up later on in 2022 and ensure that the money is all claimed. The programme has been stretched to provide 100% funding but there's a real need to get the spend claimed. This is in part because if all the money is not used and there is a chance to spend it elsewhere, then time will be limited.

14. David closed his verbal report by stating that there was more detail in the slides (to be shared following the meeting) and then invited questions.

15. **Richard Powell** stated that there had been discussion about using recycled PA5 for natural flood management systems, and that it's mentioned that Cornwall and Scillies were going ahead with that. He went onto flag that the programme of natural flood defence systems that have been identified in the new Environment Agency 6 Year Plan. He asked if this was being considered at all as a way to use that PA5 money. He went to ask about whether any consideration could be given for PA6 to be used to support the tourism and bio-diversity elements of the work of National Parks given the increased footfall they have experienced, particularly this past summer. **David Malpass** responded by saying that we were limited in that no further new calls were going to be undertaken and that we were looking for where existing projects could be extended. **Simon Jones** added that Mark Joslyn had been a keen advocate of the National Parks proposition and that was part of our considerations around the reserve fund as was at that point in time but, as David has said, our ability to undertake new projects is limited but we will take this away as an action to come back with a more detailed response

ACTION 2109/01: DLUHC to provide Richard Powell with a more detailed response on the financial positions relating to the recycled PA5 and PA6 funds.

16. **Guus Muijzers** offered congratulations from the European Commission – the Covid crisis was a difficult situation and making use of the 100% the ERDF MA in England had already achieved N+3 for 2022, a good thing in financial terms which doesn't come easily. **David Malpass** thanked Guus and added, in reference to the 100% funding in

particular, that it was a bit more complicated than in previous programmes but the Department were on top of it. It's a nice position to be in but we had to make sure we managed it through.

17. **James Newman** asked how much funding was still available centrally and also if the TA situation had been looked at because there was still a considerable amount of money in there that essentially wasn't being used? **David Malpass** responded by saying that TA is being looked at and that where there is flexibility, this will definitely be utilised. In terms of the money left, the foreign exchange rate is still jumping around so there's a need to balance decisions around what we can commit. There's a firm pipeline with projects in either final grant funding agreement stage and extensions, some of which would commence next year. For the amount of funding that is still available, two options are being looked at. One is transition and the other is Financial Instruments, which David Read will cover in his item. Additionally, local teams across the country are talking with local projects to see if they have use for any additional funding, working on the principal of providing additional money to projects with a good track record of delivery, knowing that they use the money wisely and spend the money in the time period. This follows a similar path to the end of the last programme which similarly ensured all money available was utilised. **James Newma**n thanked David, stating that he represented transition LEP areas so it was good that they are being consulted and he confirmed that Finance Yorkshire had taken £7m of additional money at the end of the last programme.
18. **Helen Millne** reinforced the conversation from the most recent PDR where David had said he would look into the possibility of aligning well performing revenue projects running to the end of the programme to the end of 2023 as ESF have, rather than cutting off in June. **David Malpass** confirmed that this was on his list to look at.

European Social Fund (ESF)

19. **Clare Bonson** introduced the ESF Programme Update item, thanking David and mentioning that she was very much looking forward to the project presentation, being provided by the National Lottery Community Fund, scheduled for later in the meeting. For this ESF Programme Update item they were concentrating on the appraisal position, the situation with project change requests and N+3 projections

20. **Claire Bonson** then raised two additional points of significance. The proposed verification strategy which was submitted to the EC early in the summer and for which a response is awaited. And that they are looking to re-introduce face to face visits in the Autumn. These measures, along with the performance push, are important in achieving N+3 in this and future years and DWP would welcome members views and support in achieving this, particularly around communications with grant recipients.

21. **Claire Bonson** made a final point, before handing over to her team for the main ESF update, that at the recent PDR meeting that the issue of slippage had been looked at and that she was going to set up a workshop to delve further into this. This is in hand but is not in diaries yet. They are looking at potential dates and will get invitations out asap.

22. **Emma Kirkpatrick** then led a presentation updating on the appraisal of applications. There are no unassigned applications, meaning every application which has been received is being actively worked on. The number of applications under appraisal has gone down quite significantly to 25 (partly because the last call closed quite some time ago so new applications are not being received). A further 9 are going through the ESIF committee process. This means a total of 34 applications worth in the region of £52m (down around £25m from the last GPB) are being actively worked on. Over and above that there are a further 20 applications in the post appraisal process (developing funding agreements / awaiting signatures) worth another £44m. The pipeline is therefore reducing quite significantly.

23. **Emma Kirkpatrick** then moved onto the topic of resourcing. MA currently looking at moving some of the appraisal resource over to working on project change requests, activity for which is expected to increase in the autumn, particularly as they get into the previously discussed underperformance activity. Work is ongoing on receiving PCRs directly into ECLAIMs. Expecting to go live with this in the autumn removing quite a significant admin burden from both grant recipients and the MA (comprehensive instructions will be shared with grant recipients).

24. Since the last report a further 22 decisions have been made on submitted PCRs, with the average time taken to complete these PCRs last month was 56 days (for the previous report this figure was over 70 days).

25. On the PCR extensions, we reported at the last GPB that there were 41 requests for additional money. Having assessed these against the full criteria, 32 remain worth c.£32.3m. These have been split into three tranches based on original project end dates (2021, 2022 and 2023). The 32 requests include 3 from projects where a full application has already been submitted for an equivalent extension in funding. These 3 are on hold pending the outcome of the full applications. The majority of the remaining 29 requests are being appraised, although 6 provided insufficient or incomplete detail and contract managers are working with grant recipients to address these issues. Tranche 1 decisions have slipped into September, mainly due to the quality of information being provided and the VFM stretch being expected from projects. A knock-on effect of this is that some of the decisions on requests in tranche 2 will slip into October but the MA remain confident that decisions on all three tranches will have been made by the end of November.

26. **Mark Burns** then provided an update on the N+3 position. Headline is that it is a significant challenge. IPA18 and FPA19 are already banked, but target is well over £500m and to meet this MA have to process and claim from the EC this year – this will be more claims than DWP have processed in the history of ESF. MA do believe it is achievable, but they do have a challenge, including a need to work with one of their digital suppliers to support some required audit trail work. But achievable with support around evidence trails etc.

27. **Emma Kirkpatrick** then talked through measures MA were implementing to help achieve N+3. First is through the verification strategy where there is an aim to alter the balance between the Co-Financing Organisations (CFOs) and direct bids. Aim is to reduce the number of on-the-spot visits (OTSVs) for CFOs (given that most have already had at least one OTSV). This will allow MA to focus more on the direct bids, which are, in their eyes, a higher risk area of the programme. The Risk Framework has also been updated. These alterations / updates are both with the EC for approval.

28. Also on the verification side, new team members joined in July/August with another new team member set to join this month. This will result in more resource to complete OTSVs

29. Continuing with N+3, one thing introduced as an easement through the Covid process was that a lot of work was undertaken remotely, including OTSVs, which had it's challenges. One result has been that a big block of money paid out to projects has not yet been claimed from the EC as not all evidence relating to that expenditure has been received. So as a process of removing some of those easements begins, one of those areas being looked at is OTSVs. Re-introduction of visits provides extra assurance and it is also more efficient than going backwards and forwards requesting bits of evidence. Action note issued to all grant recipients and projects at the end of August to notify them that visits would be re-introduced from October onwards. It is felt that this will help in the achievement of N+3. Emma then invited questions

30. **Marc Vermyle** commented that to date this ESF programme had supported 1.5m participants. On N+3, the word challenging is probably an understatement. £500m is a significant amount so he will try to help wherever he can to achieve this, in the first instance by getting their auditors to have a look at the verification strategy. Already being pushed but if not before, a meeting with them at the end of the month should hopefully result in him being able to provide a green light.

31. **Andy Churchill** asked if it was going to be possible to commit all of the money. There are still modifications to both ERDF and ESF OPs to come but his assumption is that the £45m on YEI is probably lost as it can't be moved around but that the priority 4, while a shame, might be movable still. **Emma Kirkpatrick** responded by saying there were probably a few elements to the answer. In terms of utilising all of the money, they are pretty much there apart from the YEI, and that is despite multiple extension opportunities to projects eligible to operate under the YEI. These are not bearing any

fruit so the feeling is that at some point there will have to be an acceptance that the YEI will not be fully utilised. All that can be used from the reserve fund, other than a small buffer in the context of a £3bn programme for exchange rate movements, has been used. The exchange rate currently has €1 worth £0.86 and ESF programme is currently operating at 0.89. This would remove around £40m from the programme and leave it over committed in several areas. They are doing what they can to manage that. Part of this is making sure projects are spending their money, and where they are not, taking it back to help offset the over-commitment position and if enough is reclaimed, to be able to offer more extensions to more projects. And on the OP amendment, this will now probably be pushed back into next year, given that the window for the submission of OP amendments is up to the middle of 2022. Extra time would give more leeway to understand the impacts of Covid and where projects want to extend.

32. **James Newman** flagged the huge improvement on the ESF programme situation and then asked if he was right in the assumption that there was a continual process in play up to the end of 2023 where money was being taken back off projects who weren't spending and putting it where DWP believe it can be spent in the timeframe. **Emma** responded saying that this assumption was right. The appraisal team is divided into two halves, with staff in the half dedicated to appraising new applications starting to move over to the section dedicated to PCRs. And this PCR activity will absolutely continue into 2023. **James** stated that all that the PDR might want to see is how much money is being taken back from projects and how much of that has been reallocated and does the money need to be reallocated to the same region and the same category of region. **Emma** said that at the moment it's very early stages but that PDR would be kept informed as and when there were numbers for this work. She added that funds being reallocated would absolutely remain in the same category of region but there is flexibility to move it from priority to priority (and this is part of the reason the OP amendment discussed earlier has been pushed back).

European Agricultural Fund for Rural Development (EAFRD)

33. **Emma Friend** presented the EAFRD report summarising the key points from the circulated Progress Update paper. She started by stating that all of the RDPE Growth Programme funding has now been allocated to projects. 1,064 projects in total have been supported through this funding, amounting to just over £171m, across the four themes – Food Processing, Business Development, Tourism Infrastructure and Tourism Cooperation. To date £97m has been spent.

34. Specifically looking at allocated and spent funds for the Rural Broadband infrastructure scheme and the Growth Programme, Emma reported that the spend totals were moving up as you'd expect and that they were pleased with the progress being made.

35. Reporting on progress towards the jobs target, they are at 6,000 jobs contracted now, which has far exceeded the December 2020 target, Worth flagging that though actual jobs created figure currently sits well below that currently at 1,600, it is expected that

this will catch up and they are aware of some delays because of Covid and all of the setbacks businesses have had to take onboard over the last year.

36. **James Newman** asked if there was a breakdown of jobs created by area and asked if the comprehensive report he had received in the Sheffield City Region (and which he assumed all ESIF committees had received) relating to all contracts etc. would continue to be circulated and updated. **Emma** flagged that the job information requested was in the paper and on the local reports said that these would have come from the RPA but that she did expect they would continue (she would feed the request back to them).

37. **Alison Gordon** asked Emma to pass on her thanks to the RPA for providing detailed LEP area reports.

38. **Huw Edwards** asked a question on the Broadband projects around what coverage has been achieved in Broadband blackspots (a slightly different measure to the detail included in the paper around how many premises have been covered). Emma said she would ask the Rural Broadband Policy team and come back to Huw on that.

European Maritime and Fisheries Fund

39. The update paper was noted by the board and there were no further comments or questions.

At this point it was noted that the meeting was running ahead of time so it was agreed that the FI item would be brought forward and presented ahead of the short break / ESF project case study

Item 3: Financial Instruments (FI) Update

40. **David Read** began his FI update item by referencing James Newman's potential conflict of interest (flagged at the beginning of the meeting). He stated that information being shared in this update was in the public domain so he didn't feel the update would cut across James' role at Finance Yorkshire in any way. He also mentioned that he was aware Finance Yorkshire had been working very closely with the Northern Powerhouse Investment Fund and the British Business Bank. James confirmed this was the case.

41. He continued by saying that his presentation was to give an update, after it came up at the past GPB, around FIs and to look at some of the challenges following the update provided at the December 2020 GPB. He updated on the two different types of fund: Access to Finance funds and Urban Development / Low Carbon funds, providing details around how they are progressing, deployment and drawdown (which was part of the specific ask from the last GPB) and on Covid-19 impact.

42. Looking at Access to Finance funds first, David displayed a slide featuring details on level of total invested to end of June, private sector leverage, outputs, drawdown status and next drawdown for each fund. He also explained that drawdowns of funds from the

EC were being carried out in four equal 25% tranches in this programme (as opposed to one for the whole programme as was done in 2007-2013). Tranche 1 was paid up front, with tranche 2 only paid once 60% of tranche 1 funding has been spent on eligible investments. Part of the required work is to certify that investments made into SMEs are eligible. And looking forward, to secure the tranche 3 and 4 payments, 85% of the previous tranche needs to have been paid into eligible investments.

43. Going into individual funds, the Northern Powerhouse Investment Fund (NPIF) has now drawn down all £140m of its ERDF funding and invested £281m in total (so doing extremely well on that basis). From an ERDF MA perspective it's now very much about monitoring the outputs, ensuring that the money has been invested and ensuring correct levels of match funding are being drawn in from the European Investment Bank.

44. On the North East Fund, slightly smaller than NPIF with just under £59m of ERDF funding. To date £64m invested to date, of which around £43m is ERDF – 3 tranches of the drawdown have been undertaken (a good position). Working with the fund manage now and expecting the 4th and final tranche drawdown to be undertaken in quarter 1 of 2022. From MA perspective, confident they will drawdown all the ERDF funding and have invested all of the funds by December 2023.

45. The Midlands Engine Investment Fund (MEIF) has drawn down all four tranches of funding (totalling £78.5m of ERDF funding). And as with NPIF, ERDF MA now monitoring to ensure they draw in all the additional investment they were looking for, and make all those investments into SMEs going forward.

46. The Low Carbon Innovation Fund II is a smaller fund, covering the Greater South East with £12m of ERDF funding. They have just undertaken the drawdown of the 2nd tranche (two drawdowns to date equate to just under £6m ERDF). 3rd tranche drawdown expected in quarter 2 of 2022. What gives MA reassurance on this fund is that it is equity based, so that as a portfolio of eligible businesses is being built up, a lot of these businesses will need subsequent follow-on funding.

47. The Cornwall and Isles of Scilly Investment Fund (CIOSIF) has an ERDF investment of £32m. To date they have undertaken two tranches of funding, the most recent in October 2020. No more drawdowns expected this year. This fund is going to be a challenge to invest fully and is one the MA are keeping an eye on, mainly in relation to the size of fund to the locality (which is significant). Fund managers are doing a really good job on the ground working with businesses, and we are seeing more interest in equity investments than were originally envisaged.

48. The London SME Fund (£35m ERDF) started later than the other funds covered today but it is performing really well and has already undertaken two tranches of drawdown (totalling £16.75m). They are expected to make the 3rd drawdown in quarter 2 2022.

49. **David Read** then reflected on the difference between the FIs in 2014-2020 and those in previous programmes. In relation to equity funds, the EC have agreed under article 42.3 of the CPR that potentially you can drawdown funding to support follow on investments for up to four years after the end of the eligibility period. On these funds the eligibility period is up to December 2023, which means investments can be made by the funds up to December 2027. There are caveats – it is for equity only and it can only be

based on 20% of the eligible expenditure. Also, the funding would need to be paid into and held in an Escrow account. This does provide the opportunity, should funding still be available, to potentially talk to the fund managers on requirements for follow-on funding as late as June 2023. This has the potential to amount to around £20m-£25m if current investment rates among those funds undertaking equity are maintained.

50. Looking at Covid impacts on Access to Finance, at the time of the last FI presentation at GPB, there were concerns around the impact Covid was having on the portfolio. As we come out of restrictions etc. the portfolio doesn't appear to have been negatively impacted. There may still be an impact as things like the furlough scheme come to an end but currently fund managers are reporting that the portfolios have held up well to the impact of Covid. Challenges are however still expected in some sectors, such as leisure and hospitality. Fewer businesses are looking for capital interest repayment holidays than in 2020 at the peak of the pandemic.

51. There was an increased deployment of new deals at the end of May as CIBILS and Future Fund come to an end. And the successor to CIBILS, the Recovery Loan Scheme on debt deployment, is likely to see a lower uptake due to the more steady-state backdrop. Things are starting to level off in terms of expected investment rates, although now the Bounce Back Scheme has ended, there is more uptake in the sub £50k market.

52. Banks appear to be retrenching which could increase both demand and quality of investment opportunities for the funds. And there are expected to be trading difficulties in some sectors which could also result in an increase in demand.

53. The have been some impacts on output generation with a dip in both private sector leverage jobs created / safeguarded (although funds still look to be exceeding targets in these areas).

54. **David Read** then shared some NPIF interim evaluation findings - SQW are also evaluating MEIF and CIOSIF which will provide a good picture of these funds across the board in relation to what impact funds are having.

55. It was interesting that data from the latest Small Business Finance Markets report stated that 1 in 5 of all Northern equity deals in 2020 were led by NPIF. This reinforces the positive impact NPIF is having in boosting the availability of equity across the 10 northern LEP areas, addressing regional imbalances (which ties in well with the need for levelling up), over 1,000 investments completed, £265m deployed (of which £100m was during the height of the pandemic). The biggest concern with NPIF was actually running out of funding. In response to this, the Chancellor committed at the end of 2020 to provide it with a further £100m, which will help to ensure that it has sufficient funds to see it through to the end of December 2023 (whilst decisions are made around what successor funds will look like). A similar positive story is expected in other areas where other funds are operating.

56. Moving on to look at Urban Development Funds – these are quite different with fewer investments, with the average being around £4m-£5m (compared to NPIF for example which has investments of £500,000 to £1m. Once again **David Read** explained where things are up to in terms of drawdowns.

57. The Mayor of London Energy and Efficiency Fund has drawn down all four tranches and the expectation there is that, with the pipeline that they have, this fund will be fully invested. The Greater Manchester Fund of Funds has drawn down two tranches (so £30m of the £60 ERDF allocated. Four investments have been made and there is a strong pipeline of potential investments coming through. One of the issues has been investments have been held up because of Covid delays but with the construction sector starting to pick up so the expectation is they will make the next drawdown in quarter 4 2021, with the subsequent drawdown in 2022.

58. With regard to the Liverpool City Region Urban Development Fund, they have drawn down 1 tranche, amounting to £5m of the total £20m ERDF allocated. One investment has been made with another being lined up, with the second tranche expected to be drawn down in quarter 4 of 2021 as a result of that.

59. The Cheshire and Warrington Urban Development Fund (which, along with the Lancashire Fund, was later starting than the others) has done the first tranche drawdown, has made two investments and has a strong pipeline of investments going through – as a result, the next drawdown is expected later this year. Finally, the Lancashire Urban Development Fund, which was signed off this year, has a strong pipeline of investments coming through now that they have appointed their fund manager. The first drawdown took place in quarter 2 of 2021 with the second expected in quarter 2 of 2022. MA working very closely with the County Council to help ensure they have a strong pipeline coming through.

60. The UK construction industry has adapted since the start of the pandemic and since the start of 2021 the market has seen an increase in the level of workloads and there are rising output volumes attached to this. House building in particular is leading this growth as confidence grows in the sector but we are seeing increases across all construction areas as lockdown restrictions ease. There is an issue around a shortage of construction materials (such as roof tiles, timber and cement) and prices have soared. There will be further disruption due to labour shortages and issues with the global supply chain – there could be both delays and cost increases on projects.

61. Long term trends on drivers for recovery are around the repurposing of the high street, changes around the design of and demand for offices, further investment in logistics and funds pushing on both R&D and Green Growth.

62. **James Newman,** through his work with the Finance Yorkshire, completely concurred with the reporting of the impact of Covid, delaying both realisation and potentially investees, probably by around a year. They were finding fund managers in the middle of last year were being very cautious but that now seems to have changed. Many businesses have found that they weren't affected at all by Covid and in some cases actually benefitted. James went on to point out that everyone needs to understand that there is a lot of debt in the market, which may be contributing to the reluctance of banks to invest. Where there are companies that are struggling because of Covid, there is a limit to the support that can be provided by the EU. James then asked if there had been any indication from the funds on whether they will be creating any legacies?

63. **David Read** responded, first by agreeing with the potential upcoming issues relating to the amount of debt currently sitting with businesses. In relation to legacy, the key is the

quality of the portfolio. With CIBILS, the situation with the loan book is actually quite good in that it is underwritten by UK Government. The issue might be the time it takes for some of these to come through. We know that what is available is not going to be sufficient to see these businesses into third and fourth round investments which is when you really start to see the value generated for the legacy going forward, but that's hopefully where these funds are to work with businesses for the long term.

64. **James Newman** agreed and stated that going forward a much longer-term approach on these funds was required than had been taken in the past. It takes longer than five years for realisations to come through. He went on to say that that's where many are hoping the Prosperity Fund will have a chunk in it to do that type of funding. It's not 10 years, it's probably 15 to 20 in many cases with the early-stage companies.

65. **Jan Thornton** asked whether, in the NPIF area and thinking about levelling up, if the share between LEP areas is fairly equitably spread or is it more weighted to some than others. Jan also queried the very high number of jobs created shown in the slide pack against the North East compared to any of the other funds in proportion to the amount of money invested. **David Read** responded by saying that what is encouraging about the work that the British Business Bank has done with the LEP areas and the fund managers, is that LEP areas have all had their funding, now even with the equivalent match, invested in their regions. And with the size of the fund now growing, that is going to benefit the 10 LEP areas where they will see far more funding than they envisaged coming into their areas. On the North East jobs created query, David said that he knew that fund structures were different but he would take that away and check that.

66. **Alison Gordon** then echoed James Newman's plea to ensure Prosperity Fund reflected the importance of FIs. She also came in on the point made earlier by David, stating that they are experiencing huge challenges around construction, particularly around costs which are impacting not only ERDF projects but across the board. There are stories where developers are only being given prices for materials for 24 hours. Finally Alison asked, in terms of the £100m coming from the Chancellor to top up NPIF, if that was new money or is it being top-sliced from elsewhere? David Read responded that this money was announced in the spending review last year and was new money.

Item 4: Project Presentation ESF: Buliding Better Opportunities

67. **Sue Ormiston** from the National Lottery Community Fund then presented a case study item on Building Better Opportunities, a £650m co-financed programme aimed at supporting those furthest from the labour market. The presentation included a short film on the programme and also featured one of its beneficiaries who joined the meeting to talk through her background and experiences on the programme.

68. Members found the presentation, video and input from the participant very informative. **David Malpass** reflected that it was really inspiring to hear directly from an individual who has directly benefitted from ESF, bringing it to life far more than anything else could. Links to the slides and the video were to be provided to members along with the rest of the meeting slides.

Standing Item 5: Minutes of March Meeting and Progress on Actions

69. **Rob Martell** outlined the actions arising from the March meeting and stated that all actions have been completed - there are no outstanding actions.

70. **Rob Martell** asked the board if they approve of the minutes. **The board** agreed.

Standing Item 6: Items for Information

<u>National Sub-Committee Report</u>

71. **Rob Martell** informed the board about the National Sub Committee (NSC) report. The Employment, Skills and Social Inclusion NSC, the Equality and Diversity NSC and the Performance and Dispute Resolution NSC had all met since the previous GPB and updates were provided within the paper. Additionally, the Employment, Skills and Social Inclusion NSC met again last week but this was after the NSC Report paper had been finalised so an update from that meeting will be provided at the next GPB

Item 7: Any Other Business

72. There were no items raised under AOB – **David Malpass** confirmed that the next meeting will be held on Tuesday 7 December and that we will confirm whether we will physically meet up, a mixture of physical/virtual or if it will be just virtual again nearer the time. David thanked everyone for their attendance and contributions to the meeting (note – it is now confirmed that this meeting will be held virtually on teams)

Meeting closed: 13:40

Date, Time and Venue of Future Meetings

Tuesday 7 December 2021 11:00 - [15:00] on teams

Annex A

List of agreed actions from June 2021 Growth Programme Board meeting

No.	Action	Assigned to:
2109/01	DLUHC to provide Richard Powell with a more detailed response on the financial positions relating to the recycled PA5 and PA6 funds	David Malpass

European Union
European Structural and Investment Funds

GPB20211207 Item 4(i)
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2014 - 2020

Growth Programme for England

Chair:

	Sector/Organisation Representing	Attending (Y/N)	Substitute For
Jenny Dibden Director, Cities and Local Growth	MHCLG	Y	(note – present for part of the meeting only)

Board Members (full and advisory):

	Sector/Organisation Representing	Attending (Y/N)	Substitute For
David Malpass Cities and Local Growth	MHCLG	**Y**	(note – sat in as chair for Jenny Dibden as required)
Stacey Sleeman Cornwall Council	Cornwall and Isles of Scilly	**Y**	Emily Kent
Helen Millne The Women's Organisation	Voluntary/Community Sector	Y	
Andy Churchill Network for Europe	Voluntary/Community Sector	Y	Carol Botten
Louise Bennett British Chambers of Commerce	Business/Private Sector	Y	
Councillor Sir Albert Bore Birmingham City Council	Local Authorities	Y	
Karen Azaadi Greater London Authority	Local Authorities	Y	Alex Conway
Councillor Philip Atkins Staffordshire County Council	Local Authorities	Y	

Alison Gordon Greater Manchester Combined Authority	LEPs	Y	Simon Nokes
Jennifer Gunn LEP Network	LEPs	Y	
Dr Huw Edwards Thames Valley Berkshire	LEPs	Y	
Dr Clive Winters Coventry University	Higher Education	Y	John Latham
Guus Muijzers European Commission	EC	Y	
Joanne Knight European Commission	EC	Y	
Marc Vermyle European Commission	EC	Y	
James Newman Sheffield City Region LEP	LEPs	Y	
Janet Thornton Rural and Farming Network	Rural	Y	
Richard Powell Chair Wild Anglia	Local Nature Partnerships	Y	
Clare Bonson ESF Division	DWP	Y	
Emma Kirkpatrick ESF Division	DWP	Y	
Andrea Gillard ESF Division	DWP	Y	
Mark Burns ESF Division	DWP	Y	
Jackie Tinkler ESF Division	DWP	Y	
Caroline Hyde ESF Division	DWP	Y	
Emma Friend RDPE Division	DEFRA	Y	
Simon Jones	MHCLG	Y	

Cities and Local Growth			

Additional Attendees / Observers:

Name	Sector/Organisation	
David Read Cities and Local Growth Unit	MHCLG	Presenter
Sue Ormiston Building Better Opportunities	National Lottery Community Fund	Presenter
Sean Hughes Growth Programme Board Secretariat	MHCLG	Growth Programme Board Secretariat
Rob Martell Growth Programme Board Secretariat	MHCLG	Growth Programme Board Secretariat

Apologies:

	Sector/Organisation	Sending a Substitute?
Simon Nokes Greater Manchester Combined Authority	LEPs	Yes, Alison Gordon
John Latham Coventry University	Higher Education	Yes, Clive Winters
Alex Conway Greater London Authority	GLA	Yes, Karen Azaadi
Emily Kent Cornwall Council	Cornwall and Isles of Scilly	Yes, Stacey Sleeman
Carol Botten Network for Europe	Voluntary/Community Sector	Yes, Andy Churchill
Pernille Kousgaard Liverpool City Region	SUD	No
Cllr Peter Thornton Cumbria County Council	Local Authorities	No