

European Structural and Investment Funds
Growth Programme for England (2014-2020)

GROWTH PROGRAMME BOARD

Local Programme Governance Review

Purpose:

To present the conclusions of the Managing Authorities (MAs) review of local governance arrangements for the remainder of the programme; and to share the revised terms of reference for local ESIF sub-committees for approval.

Recommendations:

Members approve the revised ESIF sub-committee terms of reference.

Summary:

Investment decisions against LEP area notional allocations have concluded for both programmes. Therefore, the MAs have reviewed the role of local governance arrangements for the remainder of the programme period.

The MAs have concluded to keep the existing local governance structures in place as a means of biannual reporting of programme performance to local partners. There will no longer be a requirement for formal meetings as there are no further investment decisions for local areas to provide advice on, but partners are welcome to self-organise discussions between members on local growth issues as is already happening in some areas.

The terms of reference for the ESIF sub-committees have now been revised to reflect the conclusions of the review.

Context

1. Now that investment decisions against LEP area allocations have been completed, the ERDF and ESF Managing Authorities (DLUHC and DWP) have undertaken a review of local governance arrangements for the remainder of the programme. In addition, both programmes are 100% committed, and the MAs have strategies for maximising programme expenditure to ensure that programmes can meet their spend and output targets.

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2. During the review, the MAs have sought views from the PDR sub-committee with discussions being held at the September, October, and November meetings in 2021; and concluded discussions at an extraordinary PDR sub-committee meeting in January 2022. PDR Members have also reviewed the revised terms of reference and provided advice ahead of their presentation to GPB.
3. The GLA Intermediate Body (IB) will continue to service the London ESIF sub-committee and may itself determine to amend its terms of reference to reflect the recommendations in this paper.

Review conclusions

4. To ensure continuity in terms of which local partners are involved in monitoring the programme in their respective areas the MAs have concluded that local ESIF committees will be retained. The functions of the ESIF sub-committees, with the exception of London, are being revised to reflect where we are with the programme:
 - Members will be provided with biannual reporting of progress of the Funds in their respective area.
 - Members will be able to raise queries in relation to those reports to the respective MA who will provide clarification as required.
 - As the sub-committees will no longer be providing advice there will be no need for conflict-of-interest forms to be updated annually.
 - The MAs will no longer convene meetings, but local partners are welcome to self-organise discussions between members on local growth issues as is already happening in some areas.

Local ESIF sub-committee reporting

5. Management reports will be received by local partners who currently sit on the local sub-committees on a biannual basis, with the exception of London. Reports will be provided in January and July to give a mid-year and end-of-year account of programme progress. The first of these reports will be provided in July 2022.
6. From an ERDF perspective, the three management reports have been refreshed to reflect the current context and streamlined into two reports. The reports will show progress of ERDF expenditure against ERDF commitment and progress of outputs against contractual targets, to give partners an overview of how local project delivery progress. This will be broken down by priority axis. These reports will continue to be accompanied by a narrative report to provide context to the figures.
7. The format of ESF reports will remain unchanged. This will include expenditure against commitment, and participants against commitment broken down by investment priority; progress against N+3 by investment priority; ESF Performance

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summary and progress against commitment for outputs and results. This will also be accompanied by a narrative report.

8. The EAFRD Programme will continue to report expenditure against commitment to the ESIF sub-committees in the 36 LEP areas with an EAFRD allocation by the programme themes: Food Processing, Business Development and Tourism Infrastructure. The reports will summarise the progress of applications through the process for each of the EAFRD GP funding rounds. For EAFRD GP Round 3, the reports will also provide information on individual projects where this is compliant with GDPR requirements.
9. It is the responsibility of MAs, and the GLA in the case of London, to manage the performance of individual projects. Local partners can see the detail of projects supported in their respective areas through material published on GOV.UK which includes project and programme evaluations plus case studies. ESF project evaluations undertaken by themselves will continue to be shared on the beneficiary's website.

Terms of Reference

10. The terms of reference for the sub-committees have been amended to reflect the review conclusions and are attached at Annex A. References to the functions that sub-committees have carried out during the preceding stages of the programme have been removed to ensure clarity.
11. Additional feedback received in January has been taken into consideration, and it has been made clear in the terms of reference that a final report detailing the achievements made within each LEP area will be circulated in July 2024.
12. In the case of IBs, their memorandums of understanding will remain unchanged. However, their role in the selection of operations will have ended given that the ERDF and ESF Programmes have committed the pipeline of projects. The frequency of management information reporting to IBs, except for London, will align with that of local ESIF sub-committees. Reference to IBs in the revised terms of reference has been made more explicit following advice from PDR members in early March.

Next steps

13. The Growth Programme Board is asked to approve the changes to the local sub-committee Terms of Reference. Changes will then be communicated to stakeholders, and the revised terms of reference uploaded to GOV.UK.

Tina Collopy/Pete Long
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