



European Union

European Structural
and Investment Funds

GPB20220927 Item 4(i)
European Structural and Investment Funds
2014 - 2020

Growth Programme for England

Minutes of the Growth Programme Board

11:00 Tuesday 21 June 2022

Microsoft Teams

Agenda

1. Welcome and Introductions
2. Progress on Programmes* *Agenda items marked * were*
3. National Sub-Committee Review *accompanied by Board papers*
4. Minutes of March Meeting and
progress on Actions*
5. Items for information*
6. Any other business

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, although she added that she felt there was nothing on the agenda that would require members to recuse themselves.
3. **Jenny Dibden** invited board members to say if they had anything they wished to include under Items for Information. No items were received. She also invited members to put questions in the chat or put their teams hand up.
4. **Jenny Dibden** then stated that this meeting was due to be a hybrid meeting, available both in-person and via Teams, but due to the train strike it was decided to conduct the meeting on Teams only. Jenny then introduced the Progress on Programmes item and handed over to DWP colleagues.

Item 2: Progress of Programmes

European Social Fund (ESF)

5. **Clare Bonson** introduced the ESF update, highlighting some key programme headlines. These headlines, and other details shared by the Managing Authority, were include in the papers for this item and in the slide pack – both of which have been shared with members). She then handed over to her team to provide more detail.
6. **Pete Long** presented the ESF report summarising the key points from the circulated Progress Update paper. He then handed over to **Emma Kirkpatrick** who focussed on underperformance.
7. **Clare Bonson** then closed the presentation by stating that the MA were planning to submit a final revised operational programme to the EC in August (including revised published outputs and results targets to reflect actual unit costs). To do this they will need to seek approval from the GPB by written procedure – Clare was keen to take this opportunity to alert members that this was set to land in their inboxes in July.
8. **Clare** then invited members to come forward with any questions.
9. **Pernille Kousgaard** asked if TASCO (TA) is being sorted (**Peter Matthijs** also asked about this). Also, in terms of underperformance and clawback – if funding agreements are set to be closed, how do local partners understand these conversations are taking place within the Managing Authority. She also asked if conversations were ongoing with The Lottery about keeping that activity going and keeping their match funding in the programme. Helen Millne was also keen to know this and if there was anything could do to support things.
10. In response, **Emma Kirkpatrick** stated that on TASCO and the discussions with audit and the EC on that, last year it was agreed that they would do a claim by claim analysis of the 180 ISH claims caught up this issue. This has been done and finding shared with GIAA and they are talking with them about what this means in terms of which ones will attract 4% and which ones can't. Hopeful of reaching conclusion in coming two or so weeks. And if that is the case then these can all be included in the final payment application of this financial year (which goes to the EC at the end of July), and this would mean the programme would just about be meeting N+3 for this year. On the slippage, Emma mentioned that local areas know where projects are being terminated early but she will take that away as it's something they haven't developed their thinking on to a great extent yet (and there is absolutely a gap that needs filling). With regard to the Lottery projects, the MA absolutely understand and conversations will continue to take place with the National Lottery Community Fund about whether they want to and/or can extend that provision given there is the opportunity to run it through to December 2023 (particularly given the risk of loss of knowledge and skills that a gap in provision could cause).

11. **Peter Matthijs** introduced himself as the new EC representative for DG Emploi. He then stated that he had seen on SFC on 20/6 an OP modification so was just keen to know about that. He also flagged that the 100% intervention rate was available to the end of the year now and that if this was to be used further by the ESF England programme then this needs to be decided soon. And finally he asked about the clawback – he understood that if projects were 50% below expected output you can clawback and that this was open for some margin to interpretation due to COVID. His question how do you ensure equal treatment for everyone under these conditions?
12. **Emma Kirkpatrick** stated that the SFC activity seen on 20/6 was simply a colleague testing around changing numbers from percentages to absolute numbers, as doing this will help in terms of target planning (so no change to the OP at this point – just testing). On the 100% intervention rate, the MA has no plans to utilise this during this accounting year. Two reasons for this are that it isn't any additional money and would have to be balanced off next year and secondly the MAs understanding is that it is tied quite closely with specific support for Ukrainian refugees through the CARE proposal and the refugees are already eligible to support in the UK through the ESF programme and measures taken by UK Government. And on the clawback mechanism there isn't a line drawn where projects for example 50% or 80% away from their targets will face clawback. There is a formal underperformance process gone through with every underperforming project, providing time to get back on track. They do look at them on a case-by-case basis, checking what happened to that project through COVID. The decision on how clawback is decided is very much rooted in the published criteria, which includes a plus or minus 15% rationale depending on individual circumstances.
13. **James Newman** then asked if fluctuating FOREX affect each individual project depending on how it claims. He also asked what the purpose of the alteration to the OP was. And finally he asked if there was a way of delaying clawback which might cause individuals to be made redundant (before being reappointed by district councils funded under UKSPF). It's widespread and he also wondered if the MA had a feel for how many of these cases they might end up with.
14. **Emma** responded, on FOREX, by saying that the only point at which the exchange rate matters is when the MA put a claim into the European Commission. Whatever the EC pay, which could change depending on exchange rates, when it comes to individual projects, the MA have made a commitment in pounds and that commitment will be honoured in pounds to the agreed amount. A buffer has been set at programme level to protect DWP. On the OP amendments, there are two reasons – to show centrally the changes in demand due to COVID (less demand in priority 2 and more demand in priority 1) and to move money to reflect that. The second reason is about the outputs and results and making sure they reflect the real unit costs throughout COVID and through the entire programme period (to ensure that the OP reflects the circumstances now rather than what they looked like two or three years ago). On the final question,

Emma mentioned that two meetings previously there had been a discussion around handing back the YEI allocation and moving the matched ESF to elsewhere in the programme. Discussing this with the EC, this was not their preferred option and they asked that the MA look at introducing other flexibilities that would allow them to commit the remaining YEI funding. The MA have looked into this and while some small commitments were possible, they did not solve the problem. The EC have been quite clear that at this point they can not hand back the YEI and move the matching ESF. So when the Operational Programme amendment comes out to GPB for consultation and approval, the YEI allocation will be the same as it currently is. What the MA plan to do over the coming months is to see if there are any options that allow us to deal with that and not have to hand back £40m at the end of 2023.

15. **Peter Mattijs** came back in to say that if meeting N+3 was put in danger by the TASCO issue it would be better to make these claims without the 4%. And on the 100% intervention rate, just to be sure they understand the same thing, he clarified that although it was in the regulations together with CARE, the 100% intervention rate is not linked to CARE so it can be utilised completely separately from the refugee issue. It could also help the reaching of N+3 for this year. He agreed with the MA on absolute numbers being better than percentages but did request justifications for the changes were included. On the YEI he asked if the limit was set at 25 or 29 years. **Emma Kirkpatrick** confirmed it was 29 years.

European Regional Development Fund (ERDF)

16. **David Malpass** delivered the ERDF Programme Update item, talking through the paper and accompanying slide set which were shared with members ahead of and immediately after the meeting.
17. As part of this update, responding to a specific action from the last meeting, **Simon Jones** presented a paper on equality and diversity, highlighting how the programme has been tackling E&D, both through its processes and the activities it has supported.
18. **Alison Gordon** asked, on the slippage within PA1, both within the capital programme and on difficulties in being able to secure innovations staff. Are we going to be able to get to where we need to in terms of performance or is there a potential for underperformance in PA1.
19. **David Malpass** responded by saying that we will be trying to achieve what we can under PA1 but it has been difficult and COVID has had an impact.
20. **Helen Millne** thanked Simon for the Equality and Diversity report and stated that it highlighted the importance of having quantitative reporting on this available from future programmes. She then asked whether there was any potential to extend revenue

projects further into December, though she was aware some were being considered for this. Is this an open possibility across the programmes and could it include money as well as time.

21. **David Malpass** responded by saying further extensions are being considered, although we have to be mindful of very tight deadlines for payments and claims at the end of the year. This does limit what it is possible to take to the very end of the year and the MA feels it is close to that limit already.
22. **Pernille Kousgaard** asked whether the MA was considering whether the UDF could absorb some money from PA1 and other PAs rather than just moving it all (particularly given there are pipelines within UDFs which are developing rapidly).
23. **David** responded that he would be happy to have a separate conversation with Pernille on this.

ACTION: 2106/01: David Malpass to have a conversation with Pernille Kousgaard to discuss the options around UDFs absorbing some of the remaining funds.

24. **Pernille and James Newman** asked for an explanation for the allocation of £40m into two of the FIs – Midlands Engine and Northern Powerhouse – given that those two areas have just received significant funding from the Government
25. **David** responded by saying that detailed discussions have taken place with those two FIs about additional funding. They continue to deliver and provide the MA with a flexibility around going beyond the normal programming period of December 2023 and also in supporting the aim of not having unspent money which would have to be returned to Brussels. The amount is not yet confirmed – the match would come from a mixture of deals and the EIB. **Simon Jones** added that this falls in line with the maximising spend strategy which has become more challenging with FOREX moving in an unexpected direction and with underspend within programmes such as the Welcome Back Fund. The aim is to try and maximise commitments now and then review them at the beginning of 2023. The commitments to FIs were on the basis of regional budgets and assurances that BBB and North East will also be the recipients of some money as a consequence of that work as well.
26. **Pernille** requested a better understanding, at PDR level, about the scope of all these movements of money across the different PAs and if it will be set in stone by the time we have the OP modification. And on the allocation of funding to FIs, she requested that the meeting regarding this took place as soon as possible given her feeling that there were still other avenues to be considered, including UDFs

27. **James Newman** asked whether local UDFs who had overspent would have to return any of the money and therefore not fulfil contracts. **Simon** assured James that this is not a risk given the move away from LEP area allocations in 2019 and that budgets are now operated at a regional level.

European Agricultural Fund for Rural Development (EAFRD)

28. **Emma Friend** presented the EAFRD update, details of which can be found in the paper provided by DEFRA and accompanying slide set.

29. **Pernille Kousgaard** asked why the amount committed in the programme had reduced by £9m. **Emma** stated that this was simply due to people pulling out and that the funds would just get recycled into the growth programme pot and be used up by variations etc. but took away the action to explain in more detail how this returned funding is used.

ACTION: 2106/02: EAFRD MA to bring more detail to the next GPB on how the returned £9m has been spent.

European Maritime and Fisheries Fund

30. The EMFF paper was noted by the board. **Pernille Kousgaard** requested a high level report on the findings of any completed programme evaluation

ACTION: 2106/03: EMFF colleagues to report to the next GPB on high level findings from the programme evaluation.

Item 3: National Sub-Committee Review

31. **Tom Wood** introduced himself to members and then presented the National Sub-Committee (NSC) review paper which was circulated ahead of the meeting. He also talked through the revised terms of reference for the NSCs and mentioned the importance in noting the significant contribution members of these NSCs have made to our ESIF programmes – these efforts are fully recognised by the MAs.

32. In summary, the recommendation made by the paper is that the Communications NSC, the Equality and Diversity NSC and the five Policy NSCs should all close, the Evaluation NSC and the Performance and Dispute Resolution NSC should continue to operate but with the latter changing into simply the Performance NSC. Tom concluded by asking for GBP to approve these recommendations. Jenny Dibden then invited questions or comments.

33. **Pernille Kousgaard** stated that she was happy to support these recommendations but asked if a legacy report could be produced to capture what NSCs we had and what work

they were used for. She also asked if the two remaining NSCs could be drawn into working closely together. Jenny stated that both of these actions could be taken away by the MAs

ACTION: 2106/04: MAs to draw together a legacy report on the NSCs

ACTION: 2106/05: A closer relationship be developed between the two remaining NSCs

34. **Helen Millne** asked if a relationship could be maintained with the Equality and Diversity NSC members in case situations arise where their expertise is required to support the programmes.

35. **James Newman** stated that he agreed with the proposals and that he felt the Performance NSC could cover issues on equality and other areas as well.

36. **Jenny Dibden**, with no further comments or member questions, concluded the item as agreed.

ACTION: 2206/06: MAs to contact members of closing NSCs to inform them of the decision and to thank them for their contribution to the programmes. MAs to also update the information published on GOV.UK around NSCs to reflect these changes.

Item 4. Minutes of March Meeting and progress on Actions

37. **Rob Martell** stated that actions 1, 2 and 4-8 from the previous meeting minutes had been completed. **Simon Jones** provided a brief explanation on the position around action 3 (ERDF MA to provide an update progress of C1 and greenhouse gas emissions output targets in transition regions to PDR) including word on how the higher unit costs of these outputs and the higher proportion of FIs in transition regions would explain the disparity to some degree. Different types of investments across different geographical areas would also play a part in this – the issue is being actively looked at and a more detailed report will be taken to the September Performance National Sub-Committee.

ACTION: 2106/07: ERDF MA to provide a report on progress of C1 and greenhouse gas emissions output targets in transition regions to next Performance National Sub-Committee meeting.

38. The minutes were accepted by members to be a true record of the meeting.

Standing Item 5: Items for Information

National Sub-Committee Report

39. **Rob Martell** informed the board about the National Sub Committee (NSC) report. The Equality and Diversity NSC, the Evaluation National Sub-Committee and the Performance and Dispute Resolution NSC (as it was at that point) had met since the previous GPB and updates were provided within the paper. The Evaluation National Sub-Committee and the Performance National Sub-Committee are set to meet again in September. The setting of other NSC meetings was on hold pending the outcome of the National Sub-Committee review.

Item 6: Any Other Business

40. **Guus Muijzers** thanked everyone for a good meeting and the ERDF team for their extremely comprehensive report.

41. There were no other items raised under AOB – **Jenny Dibden** confirmed that the next meeting will be held on Tuesday 27 September (confirmation of whether the meeting will just be on Teams or in person as well will follow).

Meeting closed: 13:00

Date, Time and Venue of next meeting

Tuesday 27 September 2022 11:00 - [13:30] (venue tbc)

Annex A

List of agreed actions from June 2022 Growth Programme Board meeting

No.	Action	Assigned to:
2206/01	David Malpass to have a conversation with Pernille Kousgaard and others to discuss the options around UDFs absorbing some of the remaining funds.	David Malpass
2206/02	EAFRD MA to bring more detail to the next GPB on how the returned £9m has been spent.	Emma Friend
2206/03	EMFF colleagues to report to the next GPB on high level findings from the programme evaluation.	EMFF colleagues
2206/04	MAs to draw together a legacy report on the NSCs	MAs
2206/05	A closer relationship be developed between the two remaining NSCs	MAs/NSC Chairs
2206/06	MAs to contact members of closing NSCs to inform them of the decision and to thank them for their contribution to the programmes. MAs to also update the information published on GOV.UK around NSCs to reflect these changes.	GPB and NSC Secretariats
2206/07	ERDF MA to provide a report on progress of C1 and greenhouse gas emissions output targets in transition regions to next Performance National Sub-Committee meeting.	David Malpass



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Growth Programme for England

Chair:

	Sector/Organisation Representing	Attending (Y/N)	Substitute For
Jenny Dibden Director, Community Investment and Funding Services	DLUHC	Y	

Board Members (full and advisory):

	Sector/Organisation Representing	Attending (Y/N)	Substitute For
David Malpass Communities and European Programmes	DLUHC	Y	
Helen Millne The Women's Organisation	Voluntary/Community Sector	Y	
Councillor Sir Albert Bore Birmingham City Council	Local Authorities	Y	
Councillor Philip Atkins Staffordshire County Council	Local Authorities	Y	
Cllr Peter Thornton Cumbria 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	
Joanne Dobson Coventry University	Higher Education	Y	John Latham

Pernille Kousgaard Liverpool City Region	SUD	Y	
Guus Muijzers European Commission	EC	Y	
Peter Matthijs European Commission	EC	Y	
Joanne Knight 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	
Simon Jones Communities and European Programmes	DLUHC	Y	
Mark Leonardo European Programmes	GLA	Y	Alex Conway
Richard Davies European Programmes	BEIS	Y	
Paul Green Local Government Association	Local Government	Y	
Emma Friend EAFRD Division	DEFRA	Y	

Additional Attendees / Observers:

Name	Sector/Organisation	
Mark Burns ESF Division	DWP	Presenter
Pete Long ESF Division	DWP	Presenter
Tom Wood Communities and European Programmes	DLUHC	Presenter
Sean Hughes Growth Programme Board Secretariat	DLUHC	Growth Programme Board Secretariat
Rob Martell Growth Programme Board Secretariat	DLUHC	Growth Programme Board Secretariat
Pauline Williams ESF Division	DWP	Observer
Caroline Hyde ESF Division	DWP	Observer
David Read Communities and European Programmes	DLUHC	Observer

Apologies:

	Sector/Organisation	Sending a Substitute?
Simon Nokes Greater Manchester Combined Authority	LEPs	Yes, Alison Gordon
Carol Botten Network for Europe	Voluntary/Community Sector	No
Alex Conway Greater London Authority	GLA	Yes, Mark Leonardo
John Lathom Coventry University	Higher Education	Yes, Joanne Dobson