



European Union

European Structural
and Investment Funds

GPB20230627 Item 5
European Structural and Investment Funds
2014 - 2020

Growth Programme for England

Minutes of the Growth Programme Board

11:00 21st March 2023

Microsoft Teams

Agenda

1. Welcome and Introductions
2. Progress on Programmes* *Agenda items marked * were*
3. ERDF Evaluation Update* *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. She advised that apologies received would be recorded in the minutes. She also advised that the meeting was being recorded and transcribed.
2. **Jenny** asked the board for any conflicts of interest - none were declared. She added that she felt there was nothing on the agenda that would require members to recuse themselves.
3. **Jenny** 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** then respectfully requested, given the amount of important European Funding business there was on the agenda, that discussion remained focussed on these funds during the meeting. She 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. She highlighted that the MA continue to address their end of programme targets, ensuring they have absolute maximum spend by the programme close and maximum impact on recipients. She also announced that the MA were going out to call imminently for applications from local authorities for the FAST-CARE initiative which members were sighted on through written procedure write outs on 8 and 10 March and which Pete Long will update members on more fully later in this item.
6. **Clare** added that the focus on end of programme spend has led to an increase in project change requests and work to create a more accurate picture on performance and spend.
7. **Clare** closed her introduction by informing members that Emma Kirkpatrick had now formally left the ESF team and taken up another role in DWP. She added that she was sure members would join her in thanking Emma for all her hard work on the programme and in supporting the GPB over the past few years. Pete Long has been interim Head of ESF Programme since November and this arrangement will continue in the short-term pending the outcome of a structural review.
8. **Pete Long** then provided a more detailed ESF update, including information around programme spend and KPI delivery. He also stated that the N+3 target for 2022 had been achieved in December and the Annual Assurance Package had been submitted to the EC in February, with a residual total error rate of 0.318% (well below the limit of 2%).
9. On FAST-CARE, **Pete** added to Clare's earlier word on an imminent call, stating that the current planned allocation was just over £100m but this amount is under constant review.
10. He also flagged and provided some details around an Operational Programme amendment which had been approved by GPB in December and which covered changes to unit costs, movement of money across investment priorities and results changes. Questions from members were then invited.
11. **Peter Matthijs** asked how the allocated funding percentage and the funding available had both increased. He also asked for an MA view on if the programme has now peaked in terms of PCRs coming in or are there still a lot more still expected. **Pernille Kousgaard** added, on this point, a question on whether the MA were going to be able to manage with the levels of PCRs expected, including ensuring claims are coming in from applicants. She flagged the additional workload expected as a result of the FAST-CARE call.
12. **Pete** responded to Peter's first question, stating that this was a in part result of the numbers taking into account some overbooking from earlier in the programme

whereas now it shows the actual performance of projects, supporting an understanding of how much money is likely not to be used based on the commitments within each individual project. On PCRs, Pete confirmed that they were at the peak, with the rapid rise in numbers a direct result of the underperformance work. An action note is out stating that they will continue to accept PCRs until July 31st but they aren't expecting a high level of activity in this space. The expectation is the bulk of the underperformance work will be completed by the end of March, with many staff then able to switch to other priority activities, including managing FAST-CARE related activities (resourcing levels will be monitored closely).

European Regional Development Fund (ERDF)

13. **David Malpass** introduced the ERDF Programme Update item, running through a few of the highlights, including that as of the end of February, commitment stood at 101%, that potential FOREX gains were forecast at £47m and that there was just under £0.9bn left to pay out by the end of January 2024.
14. **David** went onto talk through the programme slides highlighting key points. These included that there were still 1,900 claims left to pay (a significant amount of work) and N+3 targets have been achieved. He also stated that of the 1,085 or so total projects, over 420 were scheduled to close at the end of June or September and provided a run through of the performance framework.
15. He closed the presentation by talking briefly through the programme's 'Maximising Spend Strategy', stating that priority had to be the successful delivery of the ERDF programme so no further project extensions would be granted other than in exceptional circumstances such as with one or two capital build projects. The MA will continue to recycle funds to existing projects where practical and absorb underspends / FOREX gains into Financial Instruments. The MA will then utilise any remaining funds to support the ECs FAST-CARE and SAFE initiatives. **Simon Jones** added on this point that we just need to better understand our underspend position before taking further steps with these initiatives (probably around June).
16. **James Newman** stated that he felt to expect all this project closure work to be completed within a two month period was ambitious and asked if there was scope to talk about this with the EC to try and find a more sensible solution. **Simon** responded by saying we had always been aware of the timetable and it had been a key task for the MA to balance the pressure on projects with options around extensions. We have however now reached a point where, given the volume of work required to successfully close the programme, we are unable to agree any more. **Jenny Dibden** added that she is responsible for delivering the programme to time and quality, to ensure that there is no risk to domestic finances. She therefore is determined that the timetable that has been set has to stand.

17. **Guus Muizjers** added that, while there were specified deadlines set by the EC around the closure of programmes, some specific deadlines are set by Managing Authorities to ensure an effective closure process. **Simon** confirmed that the EC do set out those broader deadlines and DLUHC as the MA are working towards those in the way that we see best to ensure there is sound financial management. The MA have to make sure that all the expenditure going into the final accounts is legal, has had any appropriate checks and does not open us up to further risks through A127 audits at a later point in time.
18. **Pernille Kousgaard** observed that there was a lot of money still to be claimed and asked what certainty the ERDF MA could give the GPB that projects will claim enough ERDF for the programme to meet commitment targets. **David Malpass** responded, saying that though the MA couldn't guarantee this (as it would be based on what projects have spent), there have been numerous PCRs over the past 12 months so projects should have accurate forecasts on what they are going to spend. He added that, as outlined earlier, there are plans in place for funding to go to FIs and FAST-CARE/SAFE should there be slippage. **Pernille** followed up by asking if FAST-CARE would require another PA and for a bit of clarification on the approach. **Simon Jones** confirmed there would be the need for another PA and for an OP modification. Although the detail will need working out, the OP modification will 'piggy back' on the model used by the ESF MA and recently seen by GPB members.
19. **Helen Millne** asked if there could be flexibility going forward on the MA position around project extensions for revenue projects to support maximising the value of the programme (and on her understanding that revenue projects are considerably lighter in the way they are processed). **David Malpass** agreed to look at this and respond to members as an action.
20. Closing off the ERDF update **Simon** provided a brief overview of the timeline around the FAST-CARE initiative. He explained that we needed to fully understand what money there is available to put into the initiative – work would be done on this in June with a view to OP modifications being carried out in the Summer.

ACTION 0321/01: ERDF MA to review their position on project extensions relating to revenue projects

European Agricultural Fund for Rural Development (EAFRD)

21. **Emma Friend** presented the EAFRD update including details on spend and payments – to date a total of £156m has been awarded to 974 projects. £147m has been spent, meaning they are closing in the overall commitment target. She

highlighted that the MA had corrected the number of Business Development Projects within the Overall Progress Table (Action 0612/06 from the previous GPB).

22. **Emma** went on to highlight that most funding has gone to Food Processing projects, closely followed by Business Development projects. The total number of jobs created had gone up by almost 600 to 4,756, meaning the programme has now exceeded its 2020 jobs target (although this number will continue to rise as projects progress).
23. **Jan Thornton** highlighted, from the written update, that 8 projects worth £1m had withdrawn and this funding would be used to cover wider programme commitments. She asked if this would be RDPE or EAFRD. **Emma** confirmed that it would go back into the broader RDPE pot.
24. **Pernille Kousgaard** asked whether there were any messages or lessons learned coming out of the evaluation work that was being done on RDPE. **Emma** replied that there were bits and pieces in progress but there was nothing new at this moment. She stated she would keep the group updated on this area in future programme updates.

European Maritime and Fisheries Fund (EMFF)

25. **Adam Kennedy** provided an update on the EMFF programme, highlighting that it was fully committed (just under £45m) and it was now closed for new applications. He also flagged that a significant proportion of the projects supports the health and safety of the vessels and the high proportion of the funding is spent on infrastructure projects. He added that 94% of the funding committed has been spent.
26. **James Newman** asked if it would be possible to see a geographical breakdown of where this funding has been allocated/spent. Adam said this wouldn't be a problem and something would be circulated following the meeting.
27. **Adam** continued by providing an update on the post project monitoring work being undertaken by the MA (meeting Action 2206/03). The activity is ongoing with over 200 responses received to date. The current sample represents a wide proportion of applicant types – MA focus is on growing this sample. Main initial take-aways at include that the targets for maintaining FTE jobs and increase in net profit have both been exceeded but the target for distance of NATURA 2000 sites covered may not be met. Findings at this point are just an early indication and once the number of responses reaches a higher level the MA will report on wider findings. Additionally the MA have recently tendered for the full term evaluation of the programme.
28. There were no further questions but **Pernille** thanked Adam for his presentation which had really boosted her understanding of EMFF. **Jenny** also thanked Adam.

ACTION 0321/02: EMFF MA to provide GPB members with a geographical breakdown of programme projects and spend.

Item 3: ERDF Evaluation Update

29. **Tom Wood** presented this item, highlighting that the presentation had already been given at the Performance National Sub-Committee meeting held in March and that it built on the presentation delivered at the December GPB. He then shared some more detailed findings, in particular around programme impacts and value for money. He also referenced the counter-factual analysis which has been ongoing and has looked at over 58,000 businesses that were supported by the programme, compared to a match comparison group of businesses who didn't receive support.
30. The report included details on some of the employment and infrastructure impacts attributable to the programme and also featured some local case studies, impacts in LEP areas and lessons for future programmes.
31. The next steps are for the reports to be drafted and reviewed within DLUHC, ahead of seeking Ministerial permission to publish externally. Work is ongoing to share findings with relevant teams to maximise learning for future domestic funds. **Tom** then invited comments/questions.
32. **Huw Edwards** asked about plans for communicating the impacts achieved and if infrastructure impacts included flood risk alleviation. **Tom** responded, on communications, that ensuring lessons are learned is a key driver. Reports will be published externally and shared with partners. Additionally, a practitioner guide within the reports is designed to help local partners and practitioners draw on the lessons learned. On the flood risk alleviation, this is something that is recognised in the report as being too early to properly assess given that many of those projects were designed for long term impacts. One thing being looked at is whether some further evaluation work (budgets and capacity allowing) can be carried out at a later point so that we can evaluate some of the more long-term impacts, particularly around capital projects.
33. **James Newman** observed that he felt businesses able to find the match funding and thus participate in ERDF supported programmes are likely to be more robust than businesses that didn't (so he therefore was not surprised by some of the positive business support results). On the differing performance in the North and South he felt the larger scale of the funding/projects in the North against those in the South (which because of their smaller scale could be much more targeted) was again always likely to be the case. He also asked that as well as sharing within DLUHC, the report is shared with other Government Departments embarking on new local funding. On FIs and big capital projects he stated that it was clear that long time frames were vital. He concluded by saying it was a great report with lots

of good lessons but it was now vital to ensure future funds are able to use those lessons.

34. **Pernille** echoed James comments and commended the report as very good and comprehensive. She did voice concerns about some large scale, national funding projects, where the linkages between delivery bodies and local business support infrastructure haven't been strong and funding appears to be being placed blind. She added that this is something that needs to be addressed within government. She also highlighted the real need for lessons coming out of this to be used to support and help to create strong local economies. **Tom** responded that delivery of these larger scale projects was specifically noted in some local summative assessments and was reflected in one of the annexes. He also highlighted that there had been some work done in categorising the regions of England and comparing them with similar regions. In this analysis London is in its own category given it is so different to the rest of the country.

Item 4: Minutes of December meeting and progress on Actions

35. **Rob Martell** flagged that all actions from the previous minutes (with the exception of 2209/01 listed below) had been completed / closed. He then asked if everyone was happy to agree the draft minutes circulated with papers as a true record of the December GPB meeting. The minutes were agreed.

Standing Items 5: Items for Information

National Sub-Committee Report

36. **Rob Martell** flagged that the two remaining NSCs, the Evaluation National Sub-Committee (ENSC) Performance Sub Committee (PNSC), had both met since the last GPB (on 28 February and 7 March respectively). He provided brief updates on areas covered in each meeting and highlighted that further information on these meetings was provided in the paper.

Item 6: Any Other Business

37. There were no other items raised under AOB – **Jenny Dibden** confirmed that the next meeting will be held on Tuesday 27th June, 11.00-13:30 on Teams and that dates for subsequent meetings would be shared with members in due course. **Jenny** thanked everyone for their time and input and closed the meeting.

Meeting closed: 13:00

Annex A

List of agreed actions from March 2023 Growth Programme Board meeting

No.	Action	Assigned to:
0321/01	ERDF MA to review their position on project extensions relating to revenue projects	DLUHC
0321/02	EMFF MA to provide GPB members with a geographical breakdown of programme projects and spend	MMO

Carried over from previous meetings

No.	Action	Assigned to:
2209/01	Welcome Back Fund case studies to be published online and to feature as part of the Annual Communications update at the December GPB. (second part met, publishing of Welcome Back Fund case studies online still outstanding – ministerial clearance still being sought)	Rob Martell, DLUHC

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	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	
Cllr Philip Atkins Staffordshire County Council	Local Authorities	Y	
James Newman Sheffield City Region	LEPs	Y	
Carol Botten Network for Europe	Voluntary/Community Sector	Y	
Alison Gordon Greater Manchester Combined Authority	LEPs	Y	Simon Nokes
Natasha Waller LEP Network	LEPs	Y	
Dr Huw Edwards Thames Valley Berkshire	LEPs	Y	
Pernille Kousgaard Liverpool City Region	SUD	Y	

Guus Muijzers European Commission	EC	Y	
Peter Matthijs European Commission	EC	Y	
Janet Thornton Rural and Farming Network	Rural	Y	
Richard Powell Chair Wild Anglia	Local Nature Partnerships	Y	
Stacey Sleeman Cornwall Council	Cornwall & Isles of Scilly	Y	Emily Kent
Clare Bonson ESF Division	DWP	Y	
Pete Long ESF Division	DWP	Y	
Mark Burns ESF Division	DWP	Y	
Simon Jones Communities and European Programmes	DLUHC	Y	
Yaesel Lee European Programmes	GLA	Y	Alex Conway
Adam Kennedy EMFF Team	MMO	Y	Harry Stirk
Emma Friend EAFRD Division	DEFRA	Y	

Additional Attendees / Observers:

Name	Sector/Organisation	
Tom Wood Communities and European Programmes	DLUHC	Presenter
Rob Martell Growth Programme Board Secretariat	DLUHC	Growth Programme Board Secretariat/Presenter
Sean Hughes Growth Programme Board Secretariat	DLUHC	Growth Programme Board Secretariat

Joanna Henderson ESF Division	DWP	Observer
Carolyn Hyde ESF Division	DWP	Observer
Rachel Sylvester ESF Division	DWP	Observer
Pauline Williams ESF Division	DWP	Observer
Nicholas Campbell ESF Division	DWP	Observer
Georgia Pritchard Communities and European Programmes	DLUHC	Observer

Apologies:

	Sector/Organisation	Sending a Substitute?
Simon Nokes Greater Manchester Combined Authority	LEPs	Yes, Alison Gordon
John Lathom Coventry University	Higher Education	No
Alex Conway European Programmes	GLA	Yes, Yaesel Lee
Harry Stirk EMFF Team	MMO	Yes, Adam Kennedy
Emily Kent Cornwall Council	Cornwall and Isles of Scilly	Yes, Stacey Sleeman