



## **Minutes of the Growth Programme Board meeting**

**11:00 Thursday 14 September 2017**

**Conference Room 5, Marsham Street, London**

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### **Agenda**

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|--------------------------------------|-------------------------------------|
| 1. Welcome and introduction          | 5. Presentation on evaluation and   |
| 2. Progress on Programmes*           | summative assessment                |
| 3. Presentation from the Sustainable | 6. Review of National Sub-committee |
| Growth & Development National        | terms of reference and membership*  |
| Sub-committee                        | 7. Minutes of June meeting and      |
| 4. Presentation on Sustainable Urban | progress on actions*                |
| Development                          | 8. Items for information*           |

*Agenda items marked \* were accompanied  
by Board papers*

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### **Minutes**

#### **1. Welcome and introduction**

- 1.1. The **Chair** (Nick Dexter) opened the meeting and welcomed substitute members **Dr Clive Winters** (Higher Education), **Lindsey Hall** (Cornwall) and **Russell Reefer** (LGA). **Sir Richard Leese** (LEP Network) has resigned from the Board; his place is taken by **Simon Nokes**. **Nick French** (BEIS) will now attend the Board in place of Tim Courtney. **Anne Donkin** has left DWP to take up a role with DfE; her replacement will be announced in due course.

#### **2. Progress on Programmes**

- 2.1. **ESF: Catherine Blair** presented the progress report. Match funding has been raised as an issue in several areas and DWP is seeking views to potential solutions. Current ESF commitment is 44% of allocation (£1,391m). There are 26 live calls worth approximately £101m. Project change requests have led to a decrease in less developed region commitment, from 35% to 32%. N+3 targets are broadly on track. Outputs committed are 45% of national target and looking healthier than in the previous quarter, change requests in particular have increased the value for money of commitments. The managing authority is working with LEPs to maximise commitment. Actuals data is insufficient at this

stage to be able to draw meaningful conclusions about the programme. New reporting formats on N+3, performance framework and the balance of funding/outputs/results with RAG ratings have been developed to enable LEP level data to be provided for local committees. The changes should help committees provide advice when future calls are being planned. **Catherine** concluded an action point from the last meeting and reported on progress to establish future Co-Financing Organisation (CFO) involvement. She explained that high-level discussions are still ongoing. DWP is fully aware of the criticality of CFOs in the programme and can consider project change requests where appropriate. The ESF Operational Programme (OP) review is underway; work was carried out throughout summer. The managing authority (MA) considers the split between priority axes 1 and 2 is broadly correct, focussing on tackling barriers for particular groups at a disadvantage in the labour market as well as on in-work progression and raising productivity. DWP will make a written request to the Board to approve modifications which will include technical changes and clarifications.

- 2.2. **Simon Nokes** noted that the £/€ exchange rate differs between the programmes. On the points made about actuals, he recognised there is a need for output data and CFOs need clarity on the potential for contract extensions. The Chair committed managing authorities to explain the use of exchange rates and the overall funding available to each programme in a post-meeting note. **Cllr Iain Stewart** asked for a note on the Ecorys evaluation of YEI and welcomed the review between PAs 1 and 2. He also noted the exchange rate point and explored DWP's confidence that targets would be met. He perceived that match funding issues are rising up the agenda, which he considered positive from a local government and LEP perspective; scale is often an issue. **Richard Powell** suggested that thresholds could be lowered, enabling different organisations to come forward. He noted that local councils and LEPs have people who can advise in this area; and committed to make sure that examples of good projects that have been unable to continue would be sent to Catherine. **Dr Clive Winters** talked of the challenge in unlocking local budgets and organisations taking a careful approach because they have an effect on unit costs. He suggested looking at ESF applicant profiles, supporting graduates turning to entrepreneurship. He noted ESFA's co-financing role, but had seen contract terminations over the summer. **Carol Botten** welcomed the development of reporting tools that show LEP area information. She had heard from beneficiaries of issues around apprenticeship funding and echoed the threshold points made earlier. **Catherine** responded to these points and specifically welcomed advice how to increase match funding. Points about consistency have been made to the managing authority previously, but would appreciate being pointed to specific issues so that action can be taken. Likewise, specific instances of any good projects that have been unable to continue would be helpful.

**ACTION 1709/01: Secretariat to commission and circulate a post-meeting note on the use of exchange rates by the programmes.**

**ACTION 1709/02: Catherine Blair to provide an update on ESF evaluations at the December meeting.**

2.3. **ERDF: David Malpass** presented the report. To 30 June, 441 projects have been contracted, attracting £1,181m ERDF. Claims worth £119m have been reimbursed, including £70m from financial instruments. There are 299 project applications under consideration. Taking the programme as a whole, 42% of budget has been contracted. The modified OP has been submitted to the Commission. There are four financial instruments in place and three in the pipeline. Recent calls have issued worth £138m. The March call had been salutary and the managing authority recognises the need to work with places to make sure they are pitched appropriately. Calls for September and November are planned, with the possibility of an additional call in 2018. There is a focus on higher risk areas in relation to 2018 N+3.

2.4. **Carol Botten** queried PA5 delivery risk across all categories of region; at the NE local sub-committee meeting it was apparent it was oversubscribed. She suggested the possibility of moving funds between LEP areas. **Simon Nokes** supported the notion of “swaps” between LEP areas, but cautioned against using phrases such as “giving-up” money. **Cllr Iain Stewart** hoped for full ECLAIMS delivery; and encouraged cross-department collaboration to move forward PAs 5 and 8 by Christmas. **Dr Clive Winters** recommended detailed communication work with local sub-committees on PA4 eligibility, before the next call. **Lindsey Hall** noted differences in payment claims between regions and recognised that IBs had flexibility applying calls. **Alex Conway** perceived a risk to N+3 targets if planned financial instruments are not developed. **David** confirmed the managing authority is aware of the issue. It can identify areas where allocations are not being taken up. He emphasised that calls through IBs have flexibility. ECLAIMS is already in use, although the final components are being worked through. Procurement of a maintenance contract is underway and the full system is likely to be delivered in the New Year.

2.5. **EAFRD: Tony Williamson** noted that Ministers had announced £200m of funding in July, of which £75m is new RDPE growth funding, including a £45m top-up. The remaining £30m is for broadband infrastructure, available to local authorities and used as a top-up for the main BDUK scheme. The new package brings the overall size of the RDPE growth programme to £207m. The RPA now has 460 expressions of interest from the offers that opened in January, with four months remaining. Invitations had been sent to 350 applicants to work up full applications. Further workshops will be launched in autumn; funding has been identified to promote them across each LEP area. New offers will open in the next few months. DG Agri has assisted Defra on the OP modification necessary for opening the broadband offer. Key activities at the moment are promotion of the Programme, including through social media, and a review of the current January closing date in view of the top-up funding announcement. There are still geographic disparities in local promotion of the scheme.

2.6. **Cllr Ian Stewart** offered LGA help to promote the new round of workshops, when dates are known. He encouraged government to raise its aspirations for rural broadband; there should be focus on upload speeds as well as downloads. Technological development suggests a need to increase bandwidth.

2.7. **EMFF:** The progress report was received and noted.

### 3. Sustainable Growth & Development Sub-committee

3.1. **Mark Joslyn** led a presentation about work on PAs 4 (low carbon), 5 (climate change) and 6 (environment and resource efficiency) and the cross-cutting sustainability theme. On PA4, the managing authority had taken the OP modification opportunity to get greater flexibility into the programme and is seeking alignment of match funding sources. BEIS has been very supportive. In delivery terms, there is still a drive for standard retrofit and solid wall insulation, especially if it can be delivered through whole place solutions (e.g. Durham mining community). The Zebcat project uses offsite building construction, with onsite assembly, yielding standardised product, quality control and benefits to residents. Jubilee Pool at Penzance will demonstrate use of geothermal energy. Keele University is developing a whole campus smart grid system (there is a similar scheme on the Isles of Scilly). On PA5, principal challenges were the 2015 storms and weather dependency. The EA is running at capacity. PA6 demarcation with Countryside Stewardship caused some challenges; many applications have focussed on biodiversity rather than resource efficiency.

3.2. **Joanne Knight** welcomed the presentation; the Commission is always looking to promote those schemes that show good results. **Richard Powell** thanked the team for their efforts and considered that people were positioning themselves to make better use of PA6. He advocated development of green infrastructure and creation of rural schemes over the next two years. He suggested there ought to be a review of cross-cutting themes as there could be opportunities to add value to other PAs. **Cllr Iain Stewart** applauded Mark's presentation and touched on the approach to flood management, suggesting that local government knows its patch best so ought to have a higher profile in delivery. He recalled the founding aspiration of the programme was 'more simple, more local' and suggested that Mark and the sub-committee could come back to the Board at a later date and explore what members could do to help progress the work. **Lindsey Hall** echoed the sentiments and called for greater ambition. **Mark** confirmed he had had a conversation with the PA3 lead how this work could be further embedded and committed to provide an update through the sub-committee. He commended the knowledge, expertise and cross-department working of the Growth Delivery Teams.

### 4. Presentation on Sustainable Urban Development

4.1. **Iain Derrick** and **Alex Conway** recalled the initial commitment that 5% of ERDF allocation should be for urban development. Implementation has been based on a strategy of Intermediate Bodies (IBs) and the City Regions concept with a population greater than 600,000. Mayoral Combined Authorities are being established to function as IBs. Iain's presentation focussed on IB designation and delegated functions, priorities, outputs and calls. Our process to set up IBs received an unqualified internal audit report, so there is good confidence in our systems. Progress will be reported through the SUD sub-committee, which will meet in the autumn.

4.2. **Cllr Iain Stewart** applauded the presentation. **Lindsey Hall** noted that rural places are trying to achieve the same outcomes. **Richard Powell** suggested the SUD sub-committee could have a remit to pull information together and report back to the board. **Guus Muijzers** noted the OP modification had been submitted. **Iain** confirmed IBs had been incorporated into the OP; there will be a follow up conversation to ensure that all requirements have been met. **Dr Clive Winters** considered that labelling the Birmingham and Solihull IB didn't include other parts of the West Midlands.

## 5. Presentation on Evaluation and summative assessment

5.1. **Matthieu Havard** noted that evaluation of the ERDF programme is a regulatory requirement and that guidance had recently been published to help grant recipients with their project-level evaluations (summative assessments). These will feed into the national evaluation work. He introduced **Neil Evans** from Regeneris for a presentation about their recent scoping study, commissioned by the managing authority to prepare for the national evaluation and guidance on summative assessments. The presentation covered scope, diversity of the programme and implications for deciding what we try to measure. The national evaluation, to be commissioned early next year, will be light touch in spring 2018 with a full review at the end of 2019. The focus of analysis is on management; governance; advice and information; and achieving consistency. Partners were invited to support evaluation activity locally. **Cllr Iain Stewart** suggested it would be helpful if the local sub-committees were fully briefed on evaluation, as it would help them to shape their advice for future projects. **Carol Botten** enquired whether it might be possible to collate LEP level evaluations through the national evaluation. **Simon Nokes**, linking to the availability of Technical Assistance, saw the advantage of local teams promoting the evaluation requirements to projects but considered there was no dedicated funding to make that happen. **Matthieu** acknowledged all suggestions and said the Board would be updated on progress with the evaluation work.

## 6. Review of National Sub-Committee terms of reference and membership

6.1. **Ben Meadows** proposed that a light touch review should commence this autumn. The review will be led by the secretariat, supported by a Steering Group. The secretariat will write to each sub-committee Chair, inviting them to reflect on their groups' remit; objectives; relevance; gaps in subject matter or membership; continued need to meet; collaboration with any other sub-committee; areas of expertise (policy, technical, economic, geographic etc.) and whether Nolan principles are recognised. The Board agreed and initiated the review.

**ACTION 1709/03: Secretariat to lead and progress the review of National Sub-Committee terms of reference and membership and provide a report to the Board at the December meeting.**

## 7. Minutes of the June meeting and progress on actions

7.1. The **Secretary** (Richard Inman) presented minutes of the June meeting. All actions had been discharged. The minutes were agreed.

## 8. Items for information

- 8.1. **National sub-committees' report:** the Board received and noted the report.
- 8.2. **London ex-ante assessment:** **Alex Conway** alerted Board members the ex-ante assessment for London will be circulated shortly.
- 8.3. **Written Procedure 15 ERDF OP modification:** the **Secretary** informed Board members the modified OP had been submitted to the Commission on 26 July; the Commission returned it with some observations on 23 August; the revised OP was submitted again on 13 September.
- 8.4. **ERDF and ESF Annual Implementation Reports:** the **Secretary** informed Board members the AIRs had been submitted to the Commission at the end of June.
- 8.5. Board members thanked **Nick Dexter** for his contribution to the Growth Programme and for providing steer and guidance on ERDF. His successor will be **Zainab Agha**.

**Meeting closed: 14:20**

### Date, time and venue of future meetings

- Thursday 14 December, 11:00 – 15:00, DCLG Conference Rooms 5A & 5B
- Wednesday 21 March 2018, 11:00 – 15:00, DCLG Conference Rooms 5A & 5B
- Tuesday 19 June 2018, 11:00 – 15:00, DCLG Conference Rooms 5A & 5B
- Thursday 20 September 2018, 11:00 – 15:00, DCLG Conference Rooms 5A & 5B

## Annex A

### List of agreed actions from September 2017 Growth Programme Board meeting

No.	Action	Assigned to:
<b>ACTION 1709/01</b>	<b>Secretariat to commission and circulate a post-meeting note on the use of exchange rates by the programmes.</b>	<b>Secretary</b>
<b>ACTION 1709/02</b>	<b>Catherine Blair to provide an update on ESF evaluations at the December meeting.</b>	<b>Catherine Blair</b>
<b>ACTION 1709/03</b>	<b>Secretariat to lead and progress the review of National Sub-Committee terms of reference and membership and provide a report to the Board at the December meeting.</b>	<b>Secretary</b>



## ESI Funds Growth Programme Board meeting 14 September 2017 - Attendees

### Chair:

	<b><i>Sector/Organisation Representing</i></b>
<b>Nick Dexter</b> Deputy Director, Policy & Partnership	DCLG

### Board Members (full and advisory):

	<b><i>Sector/Organisation Representing</i></b>
<b>Alex Conway</b> Greater London Authority	Greater London Authority
<b>Lindsey Hall</b> Chief Executive, Real Ideas Organisation	Cornwall & the Isles of Scilly
<b>Simon Nokes</b> Executive Director, Greater Manchester Combined Authority	LEPs
<b>Cllr Ian Stewart</b> Cumbria County Council & South Lakeland District Council	Local Authorities
<b>Russell Reefer</b> Advisor, Local Government Association	Local Authorities / LGA
<b>Carol Botten</b> Deputy CEO, VONNE	Voluntary & Community Sector (Local)
<b>Tim Parry</b> CEO, Community Council for Berkshire	Voluntary & Community Sector (National)
<b>Dr Clive Winters</b> Associate Pro-Vice-Chancellor, Coventry University	Higher Education (Universities)
<b>Richard Powell</b> Chair, Wild Anglia Local Nature Partnership	Local Nature Partnerships
<b>Keith Cowell</b> Principal, City of Westminster College	Further Education
<b>Shelly Dowrich</b> Government Equalities Office	Equalities
<b>Catherine Blair</b> Deputy Director, Head of ESF	DWP
<b>Hannah Haas</b> DWP	DWP
<b>Tony Williamson</b> Head of RDPE Strategy Team, Rural Policy	Defra
<b>Nick French</b> Europe Directorate	BEIS
<b>David Malpass</b> Deputy Director, Growth Delivery Network	DCLG
<b>David Morrall</b> Head of 2014-20 Policy Team	DCLG
<b>Guus Muijzers</b> DG Regio	European Commission, DG REGIO
<b>Joanna Knight</b> DG Regio	European Commission, DG REGIO
<b>Marc Vermyle</b> Programme Manager	European Commission DG EMPL
<b>Marek Beran</b> DG Agri	European Commission, DG AGRI



## Additional Attendees / Observers:

Name	Sector/Organisation
<b>Mark Joslyn</b> DCLG	DCLG
<b>Matthieu Havard</b> DCLG	DCLG
<b>Neil Evans</b> Regeneris	Regeneris
<b>Iain Derrick</b> DCLG	DCLG
<b>Andy Churchill</b> Network for Europe	Voluntary & Community Sector
<b>Jennifer Gunn</b> LEP Network	LEPs
<b>Richard Inman</b> Growth Programme Board Secretariat	DCLG
<b>Ben Meadows</b> Growth Programme Board Secretariat	DCLG

## Apologies:

	Sector/Organisation
<b>Professor John Latham</b> Vice-Chancellor, Coventry University	Higher Education (Universities)
<b>Sandra Rothwell</b> Cornwall & the Isles of Scilly LEP	Cornwall & the Isles of Scilly
<b>Dominic Williams</b> Federation of Small Businesses	Business / Private Sector (SMEs)
<b>Louise Bennett</b> Chief Executive, Chamber of Commerce	Business / Private Sector
<b>James Newman</b> Sheffield City Region LEP	LEPs
<b>Dr Jon Hunt</b> Director of Research & Innovation Services, University of Bath	LEPs
<b>George Kieffer</b> Vice Chair, South East LEP	LEPs
<b>Cllr Philip Atkins</b> Leader, Staffordshire County Council	Local Authorities
<b>Sir Albert Bore</b> Birmingham City Council	LGA / Local Authorities
<b>Keith Harrison</b> Chief Exec, Action with Communities in Rural Kent	LEADER
<b>Mayor Joe Anderson</b> Liverpool City Council	SUD / Core Cities
<b>Mark Tinsley</b> Lincolnshire Forum for Agriculture and Horticulture	Rural & Farming Network
<b>Kevin Rowan</b> Trades Union Congress	Trade Unions
<b>Julia Sweeney</b> Director, Europe Programmes & Local Growth Delivery	DCLG
<b>Robert Matthews</b> Head of Unit, EU Fisheries Funding	Defra (EMFF)