

8<sup>th</sup> July 2019

## European Structural Funds in SCR

### Purpose of Report

This paper provides a briefing on the current SCR European Structural Funds programme and seeks Members' guidance on representation on the regional committee for the remainder of the Programme.

### Thematic Priority

- Ensure new businesses receive the support they need to flourish.
- Facilitate and proactively support growth amongst existing firms.
- Develop the SCR skills base, labour mobility and education performance

### Freedom of Information and Schedule 12A of the Local Government Act 1972

This paper will be available under the SCR Publication Scheme

### Recommendations

This paper aims to provide LEP Board members with an overview of the current ESIF programme and the management arrangements led by MHCLG. We invite members to consider the options for contributing to the programme management arrangements via the Regional ESIF Committee.

## 1. Introduction

- 1.1** The SCR ESIF Programme (2014 – 2020), is largely split into European Regional Development Fund (ERDF) and European Social Fund (ESF) and covers Business Growth, Skills & Labour Mobility and Infrastructure. Full details of the breakdown of priorities for ERDF and ESF is included for information in appendix 1.
- 1.2** The SCR Local Authorities of Barnsley, Doncaster, Rotherham and Sheffield represent the Programme's "Transition" area and are allocated the greatest proportion of funding. The remaining East Midlands Districts are categorised as "More Developed". The allocation for the More Developed areas is split on a 50/50 basis with the D2N2 area.
- 1.3** At the onset of the programme LEPs were asked to assist in the development of the strategy for the deployment of ESIF in their local areas. National government also established local ESIF Sub-Committees and provided LEPs the ability to Chair these Committees.

**1.4** At the onset the then LEP Chair assumed this role and at interim periods this has been reviewed and a continuation of the arrangement agreed. This paper provides an update on the governance arrangements and seeks to elicit views as to whether the LEP Board should have a greater role in oversight of the activity of the ESIF Committee, noting the proximity to the end of the programme.

## **2. Proposal and justification**

**2.1** The current governance arrangements nationally are for a regional sub-committee to provide advice to MHCLG on matters such as local economic need and implementation approaches, this is Chaired by former LEP Chair James Newman.

**2.2** The EU terms of reference for the LEP Area ESIF Sub-Committees advise that the following partners should be represented;

- Chair (partner)
- Deputy Chair (Managing Authority)
- Local Enterprise Partnership
- Local Authority
- Business partners (including small businesses and social enterprise as appropriate to the local area)
- Voluntary & Community Sector
- Environment (with relevant expertise in e.g. sustainable development)
- Trade Union and employer representation (as appropriate)
- Equality and diversity representation
- Higher Education
- Education, skills & employment
- Sustainable Urban Development (SUD) city region groupings where appropriate to the local area
- Rural (where appropriate)
- Community Led Local Development (CLLD) Local Action Group(s) where appropriate to the local area
- Managing Authorities for each of the ESI Funds and BEIS local
- Others as needed by the LEP area ESI Funds sub-committee

**2.3** The SCR ESIF sub-committee membership currently includes officers from across the constituent Local Authorities, SCR Executive Team, Higher Education, Further Education, Environment, Community Development, MHCLG and DWP. Private sector and elected member involvement has waned and attendance at the regional ESIF sub-committee has declined as the programme nears its end.

**2.4** As the ESIF programme comes into its last year, final calls for bids under both ERDF and ESF programmes have been drafted by MHCLG and DWP in conjunction with the previous relevant Executive Boards via the SCR Executive. This final round of calls was published in June.

**2.5** Programme performance until 2018 had been relatively strong, however in recent times uptake of both programmes across SCR has suffered through lack of available match funding. Some approved projects have been withdrawn and new applications are proving difficult to elicit from partners such as Local Authorities, Universities, Colleges and other independent providers. Underspend is therefore highly likely in this final year

**2.6** If resource remains after the conclusion of the current call, MHCLG are considering options for this to be aggregated at national level and commissioned against priority areas in the programme that have relatively underperformed.

**2.7** As part of a review of local membership of the ESIF Sub-Committee, and in view of there being no current LEP membership and that the Committee is predominantly officer led,

the LEP Board is asked to consider the vacant places reserved for the private sector (three positions) including the potential to nominate private sector board members to join the sub-committee

### 3. Consideration of alternative approaches

- 3.1 Do nothing – the programme has potentially made its final calls for schemes, it is unclear whether the national reserve pot will be established and therefore it is not clear how long the sub-committees will remain in existence. It could transpire that there is very little future business for this Sub-Committee.
- 3.2 Do less – If the Board rejects the proposal at 2.7 there is the option to consider a standing report on the programme or that the ESIF Sub-Committee Chair is invited to a future LEP meeting to discuss programme performance.
- 3.3 Do more – in addition to the above suggestion at 2.7 there is the potential to suggest that the Chair of the Sub-Committee be changed.

### 4. Implications

#### 4.1 Financial

This paper has no direct financial implications.

#### 4.2 Legal

It is not expected that the governance arrangements for the ESIF funds will continue to be the arrangements implemented for the successor Shared Prosperity Funds.

#### 4.3 Risk Management

The governance of the ESIF Sub-Committee is low risk to the MCA as decision making is retained by MHCLG and DWP.

#### 4.4 Equality, Diversity and Social Inclusion ([Equality Act - Public Sector Equality Duty](#))

A key element of the ESIF programme was to address regional economic disparities and work around skills and employment is to enable equal access to opportunities.

### 5. Communications

- 5.1 The communication of ESIF programme performance by DWP and MHCLG is not consistently presented to the ESIF Sub-Committee, however consideration could be given to seeking to more widely share information where this is available.

### 6. Appendices/Annexes

Appendix 1: ESIF Programme Priority Areas

<b>REPORT AUTHOR</b>	<b>Helen Lazarus</b>
<b>POST</b>	<b>AD Business</b>
Officer responsible	Ruth Adams
Organisation	<b>SCR Executive</b>
Email	<b>Ruth.adams@sheffieldcityregion.org.uk</b>
Telephone	<b>0114 2203442</b>

Background papers used in the preparation of this report are available for inspection at: 11 Broad Street West, Sheffield S1 2BQ

Other sources and references: