

24th SEPTEMBER 2014

ESIF COMMITTEE

1. The Terms of Reference for LEP area ESI Funds sub-committees are described in the following sections:

- A. Overview and governance context
- B. Functions
- C. Operating practice
- D. Operating protocols
- E. Membership

Annexes:

- A. Sustainable Urban Development
- B. Community Led Local Development
- C. Code of Conduct
- D. Declaration of Interest

A. Overview and governance context

2. The LEP area ESI Funds sub-committees will provide advice to the Managing Authorities throughout the cycle of programme implementation. This is described at project level on GOV.UK and the documents that describe the lifecycle of a project.

3. Local partner advice has played an important role in identifying local development needs set out in LEP area ESI Funds Strategies, which are reflected in Operational Programmes. Partners are close to the practical implementation and understand local needs and so will continue to play an important role in advising the Managing Authorities on local growth conditions throughout the 2014-2020 programme implementation period.

4. The 2014-2020 European Regional Development Fund (ERDF), European Social Fund (ESF) and part of the European Agricultural Fund for Rural Development (EAFRD) Operational Programmes have been aligned in England in an ESI Funds Growth Programme. The governance structure of the ESI Funds Growth Programme has been established to exploit a multi-fund approach and ensure that the strong territorial basis of EU Cohesion policy is implemented in a way that best capitalises on national arrangements and local strengths. This governance model will therefore ensure that partners are effectively involved at national and local level.

Terms of Reference continued

ESIF COMMITTEE

5. A combined Programme Monitoring Committee (PMC), known as the Growth Programme Board (GPB) has therefore been set up, to maximise the synergies of the separate Funds in the ESIF Funds Growth Programme. The GPB will be the PMC for the England ERDF and ESF Operational Programmes and will provide advice to the England PMC for the European Agricultural Fund for Rural Development.
6. The GPB will be supported by a sub-committee in each Local Enterprise Partnership (LEP) area for the ERDF and ESF Operational Programmes, which will report to the GPB through the Managing Authorities.
7. The LEP area ESIF Funds sub-committees will not be sub-committees of the EAFRD PMC but will assist the EAFRD Managing Authority and the GPB by providing advice as set out in these Terms of Reference where those activities are relevant to EAFRD spend which is part of the ESIF Funds Growth Programme. Where there are differences of detail in the arrangements or procedures for the EAFRD Growth Programme, these will be spelled out separately by the Department for Environment, Food & Rural Affairs (Defra) to LEP area ESIF Funds sub-committees with a rural interest.
8. These local sub-committees will be known as LEP area ESIF Funds sub-committees. The territory of each LEP area ESIF Funds sub-committee will be denoted by a geographic prefix, for example the 'Humber LEP area ESIF Funds sub-committee'. In Cornwall and the Isles of Scilly, the LEP area ESIF Funds sub-committee will be known as the 'Cornwall and Isles of Scilly ITI Board'.
9. The LEP area ESIF Funds sub-committees will support the GPB's role in considering overall Operational Programme performance by specifically looking at and advising on the local, on-the-ground implementation of it, via project calls, applications and ongoing implementation.
10. Where local implementation issues require escalation, this will be organised through the Managing Authorities who will submit the advice of affected LEP area ESIF Funds sub-committees to the GPB/ relevant GPB sub-committee via the GPB Secretariat.
12. Local promotion of ESIF Funds and their impact will be a priority for the LEP area ESIF Funds sub-committee, as will local leadership of this amongst partners.
13. Each LEP area ESIF Funds sub-committee will be therefore chaired by a local partner who, along with other members drawn from business, public, environmental, voluntary and civil society sectors, will be advocates for the opportunities and impact of the ESIF Funds. Membership will be inclusive and in line with EU regulations and the wide scope of ESIF Funds priorities.
14. The Department for Communities and Local Government (DCLG), as the local lead Managing Authority; will be the Deputy Chair of the local LEP area ESIF Funds Committee, except in London where the Greater London Authority (GLA) will be designated as an Intermediate Body for the ERDF and ESF programmes.
15. Where specific Managing Authority functions are designated to an Intermediate Body, that body will seek advice from the relevant LEP area ESIF Funds sub-committee in the same way as the Managing Authority would. The LEP area ESIF Funds sub-committee will therefore provide advice to the

Intermediate Body and/or the Managing Authorities as appropriate and as set out in the agreement with the Intermediate Body.

B. Functions of LEP area ESI Funds sub-committees

16. The LEP area ESI Funds sub-committees will have the following functions:

17. Provide advice to the Managing Authorities on local development needs and opportunities to inform any changes to Operational Programmes and ESI Funds Strategies.

18. Work with sectors and organisations they represent so that they engage with and understand the opportunities provided by the ESI Funds to support Operational Programme objectives and local economic growth.

19. Promote active participation amongst local economic, environmental and social partners to help bring forward activities which meet local needs in line with the Operational Programmes and local ESI Funds Strategies.

20. Provide practical advice and information to the Managing Authorities to assist in the preparation of local planning that contributes towards Operational Programmes priorities and targets.

21. Similarly, provide local intelligence to the Managing Authorities in the development of project calls decided by the Managing Authorities that reflect Operational Programmes and local development needs as well as public and private sector match funding opportunities.

22. Provide advice on local economic growth conditions and opportunities within the context of Operational Programmes and the local ESI Funds Strategy, as well as complementarity with interventions funded through other public and private sector funding, to aid the Managing Authorities' assessment of applications at outline and full application stage, as set out in Section C.

23. Contribute advice, local knowledge and understanding to the Managing Authorities to aid good delivery against spend, milestones, cross-cutting themes, outputs and results set out in the Operational Programmes and local ESI Funds strategies.

24. Having regard to the Managing Authority's statutory duties under the Equalities Act 2010, provide information advice and local knowledge regarding the likely and actual impact of ESI Funds strategies and plans on persons with the protected characteristics and advice on mitigating measures where adverse impacts are identified.

C. Operating practice of the LEP area ESI Funds sub-committee

25. As set out on GOV.UK in documents that describe the lifecycle of a project, there are two routes into the programme, via an open project call or, for the European Social Fund only, through a Co-financing organisation, so-called Opt-ins.

26. The LEP area ESI Funds sub-committee will have a role in each of these routes as detailed below:

Operating practice – open project calls:

27. For the open call route, Managing Authorities will draw up project call specifications and will be aided with intelligence on local development needs provided by local LEP area ESI Funds sub-committees. This will help to inform which Priority Axes and Investment Priorities calls focus on, the level of financial resources, any geographic focus and the timing of such calls.

28. Minuted oral advice provided by the LEP area ESI Funds sub-committees on specific local development needs will also be considered by the Managing Authorities and reflected as appropriate as part of the project call information that will be published on GOV.UK. The Managing Authorities will be responsible for developing and finalising the Project Calls and publishing them on GOV.UK.

29. Minuted oral advice provided by LEP area ESI Funds sub-committees on project calls will be within the context of relevant Operational Programmes, ESI Funds Strategies and other relevant factors, such as applicable policy initiatives and match funding opportunities that are/become available over the programme period.

Operating practice – ESF Opt-in organisations:

30. LEP area ESI Funds sub-committees will provide minuted oral advice to the ESF Opt-in organisations on local employment, skills and social inclusion needs and opportunities to be considered in the development of the Opt-in organisations' full applications to the Managing Authority for ESF.

31. The purpose of such advice will be to assist Opt-in organisations in developing proposals for provisions that are locally appropriate, within the context of the ESF Operational Programme and ESI Funds Strategy.

Outline and full applications

32. Applications will be received by the Managing Authorities from potential beneficiaries, at outline and full application stages.

33. The Managing Authorities will assess such applications against the Project Selection Criteria that have been agreed by the respective PMC.

34. The Managing Authorities will provide an assessment report for each application. This report will provide a synopsis of the project (which will be repeated verbatim from the application) and outputs, results and financial data. Once this report has been completed by the Managing Authority, it will be circulated to the relevant LEP areas ESI Funds sub-committee(s).

35. The LEP area ESI Funds sub-committee will provide minuted oral advice to aid the assessment of the Managing Authorities. The advice provided by partners will be in relation to the extent to which the proposed activity meets local strategic needs

Ongoing implementation

36. EU Regulations state that the Programming Monitoring Committee shall review implementation of the programme to which it relates and progress towards meeting its objectives, and shall examine all issues that affect Operational Programme performance. The LEP area ESI Funds sub-committees will do this at local level and will provide minuted advice, local knowledge and understanding to support the Managing Authorities throughout the implementation of the 2014-2020 ESI Funds Operational Programmes.

37. Operational Programmes deliver their programme strategies through a series of Priority Axes, Investments Priorities and associated results and outputs, and financial targets. These in turn reflect local development needs set out in ESI Funds Strategies, on which basis financial resources have been targeted, through notional allocations in each LEP area.

38. Each LEP area therefore has an important role to play in contributing to the implementation of Operational Programmes. The advice of partners on LEP area ESI Funds sub-committees will be important to assist the Managing Authorities in considering progress against spend, milestones, cross-cutting themes, outputs and results set out in Operational Programmes and local ESI Funds Strategies.

39. The Managing Authorities will provide each LEP area ESI Funds sub-committee with quarterly implementation reports and risk registers that set out progress in its area against Operational Programmes and ESI Funds Strategy specific objectives and targets. These reports will be provided in a common format and will also be used to inform reports to the GPB, on national and local implementation.

40. Specific reports may be provided by the Managing Authorities on particular initiatives or projects as relevant to LEP areas, such as for Community Led Local Development or Financial Instruments. The LEP area ESI Funds sub-committee will provide advice to the Managing Authorities in such cases, including on measures to be considered to support strong performance and effective implementation.

41. LEP area ESI Funds sub-committees will also provide advice to the Managing Authorities on programme evaluation, including Managing Authority preparations for the conduct of a mid-term review, in line with the national Evaluation Strategy.

42. To support the objective set out in the Partnership Agreement and Operational Programmes for the ESI Funds to be developed and delivered in complementarity with other each other and with other European programmes, partners will provide advice to the Managing Authorities on approaches which exploit these synergies.

43. Collaboration is key to driving economic growth regardless of administrative boundaries, so the LEP area ESI Funds sub-committee will also be a forum for members to identify opportunities for delivering activity in collaboration with other areas in England as appropriate and advise the Managing Authority on an ongoing basis.

44. In all of its activities the role of LEP area ESI Funds sub-committees will not substitute for or take on the tasks and functions of the Managing Authorities, or the GPB (PMC).

D. LEP area ESI Funds sub-committee operating protocols

45. Meetings will be normally held on a quarterly basis.

46. Full use will be made of smart technology to support meetings and attendance.

47. Meeting dates for each calendar year will be provided in advance.

48. Papers will be electronically circulated by the Managing Authorities, normally five working days in advance of a meeting.

49. Any questions/ comments on the agenda, papers or programme implementation should be addressed through the Managing Authority Secretariat.

50. The Managing Authorities may, where necessary, circulate papers or proposals to members via the Secretariat for advice by written procedures after consultation with the Chair, with two weeks allowed for comments, unless exceptional circumstances dictate otherwise. The Secretariat will maintain a record of advice provided under written procedures.

51. It is for the Managing Authorities to present and author papers for meetings. The Managing Authorities may look for expert advice in doing so from inside or outside the Committee. Advice provided by partners on Managing Authority assessments and appraisals of funding applications in relation to fit with local strategic needs will be oral, unless advice is sought by the Managing Authorities under written procedures. Written reports on funding applications by Committee members will not be considered by the Managing Authorities.

52. After consulting the Chair on draft meeting minutes, these will normally be circulated by the Secretariat within 10 working days of meetings. Final minutes of meetings held once ERDF and ESF Operational Programmes have been adopted will be published on GOV.UK

53. Members should be able to attend regularly and be able to devote necessary time to any preparatory work. Members should not send a substitute unless this has been agreed in advance by the Managing Authority in consultation with the Chair; it is suggested that all members should nominate a deputy for this purpose.

Members missing more than 50% of meetings in a twelve month period or three meetings in a row may be asked to step down by the Managing Authorities in its role as Secretariat, after consultation with the Chair.

54. The organisation that the member represents shall be responsible for reimbursing any reasonable expenses incurred in attending meetings of the LEP area ESI Funds sub-committee by that member.

Managing conflicts of interest

55. The Managing Authorities will be responsible for ensuring that partner roles and responsibilities are clearly set out at all levels and that conflicts of interest are avoided.

56. To ensure that this is compliantly managed and that appropriate standards are maintained, LEP area ESI Funds sub-committee members will be required to sign an undertaking to abide by 'Seven Principles of Public Life', known as the 'Nolan Principles'¹ (see Annex C).

57. The Managing Authorities will establish and maintain a "declarations of interest" register (See Annex D).

58. The Managing Authority will be responsible for maintaining and monitoring the register and its application at each meeting.

59. Members must declare an interest in any agenda items at the start of each meeting and must not participate in discussions about either the development of project call specifications that are limited in scope/relate to a project in which they have an interest; or outline and full project applications that have been submitted by them or organisations for which they work/ by whom they are employed/ that they represent.

60. Similar conditions relating to confidentiality, data protection and compliance with freedom of information requirements will apply to the proceedings of the Committee as to the members of the PMC.

The Secretariat

61. The Secretariat function will be provided by the DCLG Growth Delivery Team (GDT) in each LEP area on behalf of the Managing Authorities. All matters regarding the setting up of meetings, the drawing up of agendas and papers, membership and attendance should be referred to the Secretariat

62. DCLG as the local lead Managing Authority will provide the Deputy Chair of LEP area ESI Funds sub-committees and will act as chair in the absence of the nominated partner Chair. The Secretariat will:

63. Act as the Secretary for LEP area ESI Funds sub-committees;

64. Schedule and manage meeting dates, venues, minute taking, record advice and collate and circulate papers, working closely with the Committee and the Chair;

65. Take the minutes of meetings and circulate them within 10 working days of meetings or exceptionally within a longer timescale and publish agreed minutes on GOV.UK;

66. Provide Management Information reports on behalf of the different Managing Authorities in a standard format that will be used to contribute to GPB reports;

67. Support the Chair, Committee and DCLG Managing Authority (in its role as Chair or Deputy Chair) in communicating progress and feeding in to national processes as appropriate;

68. Support communication between the GPB and the LEP area ESI Funds sub- committees via the GPB Secretariat.

E. Membership

69. The composition of the LEP area ESI Funds sub-committee will reflect the priorities of the Operational Programmes that apply in each LEP area and the supporting local ESIF strategy and reflect as far as possible the breadth of partners specified in Article 5 of the Common Provisions Regulations and the EU Code of Conduct on Partnership.

70. The Managing Authorities will be responsible for ensuring the membership is compliant with regard to these requirements. In putting together the LEP area ESI Funds sub-committee, Managing Authorities will have due regard to the Public Sector Equality Duty, taking account of the need to eliminate unlawful discrimination, advance equality of opportunity and foster good relations between people with and without a protected characteristic.

71. Partners to be represented are set out below:

- 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
- SUD city region groupings where appropriate to the local area
- Rural (where appropriate)
- CLLD Local Action Group(s) where appropriate to the local area
- Managing Authorities for each of the ESI Funds and BIS local
- Others as needed by the LEP area ESI Funds sub-committee

72. Each partner above should ideally be represented with a separate individual to minimise potential conflicts of interest. Members may represent more than one grouping in agreement with the Managing Authority.

73. Membership should be proportionate and not give undue weight to any one sector.

74. The partner Chair and Managing Authority Deputy Chair will be additional seats on the LEP area ESI Funds sub-committee.

75. Members need to be clear about who they are representing and how. All partners selected should be representative of their sector and/or relevant stakeholders and able to demonstrate accountability to their constituencies.

76. Membership will be for a three year term. The Managing Authorities will review LEP area ESI Funds sub-committee membership in 2017 to ensure its composition remains relevant to investments still to come forward through the Programmes. Where members leave before that time, representatives will be sought again by the Managing Authorities from the sector/organisation they are representing. Membership will also be refreshed as needed to reflect any changes in relevant EU and national regulations and policy.

77. By agreement with the Managing Authority there will be scope to invite expert guidance to specific meetings to assist consideration of a specialist proposal.

78. DCLG as the lead Managing Authority and the Deputy Chair will be responsible for ensuring that the other Managing Authorities are consulted and have agreed papers as appropriate where these affect the administration of the different ESI Funds.

Subsequent amendments to these Terms of Reference will be discussed and agreed in advance by the England ESI Funds Growth Programme Board

Annex A

Sustainable Urban Development

1. London and appropriate bodies within England's Core Cities/Core City Regions will be designated as urban authorities under the Sustainable Urban Development initiative (SUD).

2. Specific governance arrangements will apply for Sustainable Urban Development (SUD) outside London.

3. Each designated Urban Authority will be responsible for establishing a SUD Advisory committee. This committee will perform functions that are analogous to those of the LEP area ESI Funds sub-committees in respect of the advice they provide to the Managing Authorities for the mainstream ESI Funds. The SUD Advisory committees will provide advice on local economic growth conditions and opportunities within the context of Operational Programmes and the SUD Strategy to aid the designated Urban Authority's assessment within the terms of the Intermediate Body arrangements agreed by the Managing Authority.

4. Membership of this Advisory Committee will reflect the Priority Axes and range of interests covered by the SUD Strategy.

Annex B

Community Led Local Development

1. The Managing Authority will seek proposals for Local Development Strategies that implement Community Led Local Development (CLLD) in conformity with the strategy and selection criteria set out in ERDF and ESF Operational Programmes.
2. The lead partner/agreed body for each Local Action Group will have the following responsibilities which will conform to CPR Article 34:
 - Set up a Local Action Group that represents the community interests of a proposed Local Development Strategy with a minimum 50% non-public body partners and select a lead partner/agreed body;
 - Prepare and submit a Local Development Strategy to the Managing Authority;
 - Draw up selection procedures and criteria;
 - Prepare and publish calls for proposals;
 - Assess applications which the Local Action Group will consider and select according to those operations that best contribute to the Local Development Strategy and are compliant with EU regulations.
 - Preparatory support will be made available, including through technical assistance if appropriate.

Annex C

Code of Conduct

All GPB local sub-Committee members are required to:

- **consider** the terms of this Code of Conduct;
- **take appropriate action** to avoid any conflict of interests; and
- **sign and return** this Code of Conduct and a register of interests.

Conduct

Committee members agree to act in accordance with the 'Seven Principles of Public Life', known as the Nolan Principles:

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Breach of this Code

Each member's participation in the business of the local sub-committee is subject to compliance with the terms of this Code of Conduct and any breach may result in a requirement to step down from the Committee, as determined by the Managing Authority in discussion with the Chair and following a reasonable inquiry into the matter.

Reference 8: ESIF Committee Terms of Reference

Reviewed: September 2014

Review Date: May 2019

Policy Lead Officer: Ruth Carver
