



The Rt Hon Chris Grayling MP
Minister for Employment
Department for Work and Pensions
Caxton House
Tothill Street
London
SW1H 9DA

16 December 2010

Dear Minister

I am writing to propose some next steps about how to engage local government in the European Social Fund (ESF) following the Department's decision to wind up the ESF Regional Monitoring Committees with immediate effect (November 2010).

These regional ESF Committees have been the sole mechanism for local authorities and other local and regional partners to engage with the three main Co-Financing Organisations (CFOs) – DWP, Skills Funding Agency and the National Offender Management Service – to ensure they are delivering against regional ESF frameworks.

It is absolutely vital that local stakeholders continue to influence ESF provision pre contract and scrutinise the impact of ESF investments post contract, as well as the overall programme to ensure the programme meets the needs of local people and integrates effectively with other public services

We are pleased DWP and the European Social Fund Division (ESFD) recognise the importance of localism, and the need for CFOs to develop relationships between local authorities and Local Enterprise Partnerships to ensure local need is met.

Now is the right time to translate words into action. I would like to help the Department open up these discussions between a small number of local authority representatives with the European Social Fund Division (ESFD), and would like the LGA to facilitate a meeting during early February 2011.

I am confident this will lead to fruitful discussions between the centre and local authorities about on ways to better involve local authorities in scrutinising ESF policy and delivery. The broad models would include:

1. **Local Enterprise Partnerships (LEPs):** As highlighted in the Local Growth White Paper, LEPs can work with local employers, Jobcentre Plus and learning and skills providers to help local workless people into jobs. There are now 27 approved LEPs up and running. Where they exist, they should be invited to shape ESF to ensure effective read across with other local and mainstream activity to help people into the labour market. We also need to work up a solution for ESF engagement in local areas with no agreed LEP coverage as yet (see below point 3).
2. **Closer link with European Regional Development Fund (ERDF) action:** The LGA has long called for better strategic alignment between ESF and ERDF. We are pleased that Whitehall is looking at ways to engage local authorities on ERDF following the abolition of the Regional Development Agencies. As arrangements for both funds are currently under review, we propose a mechanism at sub-national level to facilitate ESF/ERDF alignment, through for instance joint committees which coordinate priorities, delivery, publicity, performance management information, and strategy. This would enable ERDF supported growth can provide entry level opportunities for long term unemployed and other disadvantaged groups. We understand that joint committees have worked well in the past in areas such as the East of England region.
3. **Other mechanisms:** At sub national level, and in synch with the localism concept, there are a range of boards and strategies already set up which could better connect local government on ESF activity. These include the Regional Skills Partnerships, the Employment and Skills Consortia, and the City Employment Strategy etc. The West Midlands also has its own Skills Funding Agency and Local Authority Cofinancing Plan Board which also brings together DWP/JCP and NOMS.

I hope you agree that the above suggestions are a good basis on which the LGA and your Department can take forward discussions. I am copying this letter to the following Ministers with an interest in EU funding arrangements: Bob Neil MP and Grant Shapps MP at Communities and Local Government, and Mark Prisk MP at the Department for Business, Innovation and Skills, and the head of the ESF Division.

Yours sincerely



Cllr Peter Box
Chair, LGA Economy and Transport Programme Board

cc

Mark Prisk MP (Department for Business, Innovation and Skills)
Bob Neil MP and Grant Shapps MP (Communities and Local Government)
Wendy Violentano, European Social Fund Division