



From the Chairman of the Association
Cllr David Sparks OBE

Chair of the LEP Network Management Board
Alex Pratt OBE

1 October 2014

The Rt Hon Greg Clark MP
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Dear Ministers

We are writing to you following the detailed discussions on proposed governance arrangements for devolved European funding, at the ESIF Growth Programme Board (GPB) on 23 September. We were pleased to hear that the GPB agreed the following important actions:

- The future ESIF Programme Monitoring Committee (PMC) will be a decision making body, rather than an advisory committee, and that it will have a key role in examining and scrutinising the performance of opt-in organisations.
- The revised England chapter of the UK Partnership Agreement (UK PA) must highlight that the roles and responsibilities of local partners will be detailed in the ERDF and ESF Operational Programmes (OPs) and expanded upon in the Draft Terms of Reference (ToRs) for the Local Sub-Committees. Each document should be cross referenced, and the role of local partners should be consistently upheld within each.
- The scheduling of monthly extraordinary GPBs up to December to review formal European Commission (EC) feedback on UK PA and OPs.

However, we do understand that during the discussion representatives from the EC raised a number of serious questions about governance arrangements which facilitate local partners' roles and responsibilities. This is of concern as the local and central balance in decision making have been agreed with Managing Authorities (MAs) over many months of negotiation. For LEPs and councils, they are the cornerstone of our agreement and commitment to the programme.

Local partners are naturally very concerned by this. Indeed, they have been working towards implementing such a model, which is now under question, and this is at a crucially important time when we are so close to a potential 'go-live' date for the programme. We are sure that this uncertainty is not your intention, given Baroness Stowell's "absolute commitment to real local delivery" and assurances that there would be "no dilution of local partners' roles" given by the Minister at the June GPB meeting.

We are of course awaiting the EC's formal comments. If governance changes are suggested to maintain local responsibilities, this is an issue for the whole GPB to discuss and agree. The ambition sought by many areas to take formal responsibility for particular roles within the programme, working with MAs, remains. This is especially pertinent as the last few weeks have clearly demonstrated that there is a real appetite for greater local decision-making in England.

Our view is that the local responsibilities must be preserved, as without them, we would have to reconsider our role in the programme as a whole. We are most keen to find a solution that avoids any risk to the programme's start and reassures the EC that UK partners' commitment to the programme remains steadfast.

We are committed to working in partnership with you through the Growth Board to find common solutions and we would be happy to meet to discuss this issue in detail.

Yours sincerely,



Councillor David Sparks OBE
Chair, Local Government Association



Alex Pratt OBE
Chair, LEP Network Management Board

cc:

LGA & LEP Network GBP members
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