

From the Chair of the Association  
Councillor David Sparks OBE

The Rt Hon Greg Clark MP  
Department for Business, Innovation and Skills  
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28 August 2014

*Dear Greg,*

#### **LGA VIEWS ON ESIF 2014-2020 ARRANGEMENTS**

I am writing to congratulate you on taking the European funding portfolio. Your commitment to local areas driving growth ambitions through the City and Growth Deals leaves me in no doubt that you will champion the case for devolved European funding. Your appointment coincides with mine. I am delighted to take my seat on the ESIF Growth Programme Board (GPB) as the new Chairman of the LGA, and look forward to working with you to ensure final arrangements meet LEPs and local partners' expectations, while respecting the role of the Managing Authorities (MAs) and Brussels.

With over two decades experience of European regeneration and social funding, I know from first-hand experience that councils and local businesses have struggled to make use of the funds to benefit local areas and people. For local partners to now be leading this agenda is a significant step. My predecessor, Merrick, placed great importance on the Board's work to enable this, and I want to thank you for your letter to him of 2 August.

I am reassured you will continue to negotiate robust local governance arrangements with Brussels. For the LGA, it is critical that LEPs and local partners' strategic roles and responsibilities vis a vis the MAs in managing, commissioning and delivering ESIF for the next seven years are explicit in the UK Partnership Agreement and Operational Programmes. If your negotiations with the Commission deal specifically with aspects of local governance, I would of course be delighted to support you, in the spirit of partnership working.

It is good news too that you are pushing for LEPs to be able to use ESIF for infrastructure activity such as broadband and transport. We must remind the Commission that the 'intervention logic' is the cornerstone of local strategies, and as we both know, overcoming specific barriers, really can unlock local growth potential. That for me demonstrates the real added value of EU funding.


Like you, I want to get the programme up and running as quickly as possible. To do this, we need to ensure preparations are made in good time, and decisions made by all partners on the Board. Below are a few issues which need to be ironed out. I would be grateful for your attention to addressing these, which I believe would benefit from a fresh insight from your perspective.

- Every effort must be made to achieving our original devolved multi-fund ambition, as I think this is not quite materialising operationally in the way we both intended.
- Decisions must be made by local sub-committees. This will help us by minimising delays in project selection and ensuring the funds benefit communities and businesses alike, and you, by avoiding unnecessary traffic between the local committees and MAs.
- LEPs and local partners' functions must be adequately resourced through coordinated area based Technical Assistance.
- Many local areas want to make use of EU mechanisms such as the Community Led Local Development and Financial Engineering Instruments, but there are concerns these will not be ready for the start of the programme.
- Once the GPB converts to a Programme Monitoring Committee (PMC), it must give space for LGA / LEPs to have a strategic policy debate with you on ESIF, and not be solely confined to operational issues only.

And finally, I wanted to pick up on the recent decision to award Cornwall ITI status, which affords them a much greater direct local strategic and management role in steering the funds. This is welcome, and now stands them alongside London as having special arrangements. You will understand that many urban areas sought to manage their own programme, working with MAs. This ambition, matched with a proven capability to deliver, has not gone away; in fact, it has been strengthened by Cornwall's new status.

Unfortunately your next Board on 23 September falls in the middle of the conference season in Manchester, which I will attend. I would therefore like to meet you to discuss the issues before the Board meeting. I hope you will agree this would be useful. Sadie Kerr ([Sadie.kerr@local.gov.uk](mailto:Sadie.kerr@local.gov.uk), 0207 664 3273) in my office can help make arrangements with your officials. I will of course send through my thoughts on the revised UK Partnership Agreement by 1 September, which your officials have requested.

Yours sincerely



Cllr David Sparks OBE  
Chair, Local Government Association and  
Member of the shadow ESIF Growth Programme Board

CC: Lord Ahmad of Wimbledon, Department for Communities & Local Government  
Cllrs Sir Albert Bore and Ian Stewart, LGA GPB members  
Bernadette Kelly and Tim Courtney, BIS  
Julia Sweeney, and Carol Sweetenham, DCLG