



Department for Communities and Local Government

Councillor Ian Stephens
Chair
LGA Culture Tourism & Sport Board & Leader, Isle of White Council

Councillor Simon Henig
Deputy Chair
LGA Cultural Tourism and Sport Board
Local Government House
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Our ref: MCB2014/25745/00

13 January 2015

Dear Councilor Stephens and Councillor Henig,

Thank you for your letter of 11 November, concerning the use of European funding to support the visitor economy and the involvement of local partners in the delivery of European Structural and Investment Funds in 2014-20.

In our earlier letter of 21 October 2014 we pointed out that it is in everyone's interests to have their respective roles and responsibilities clearly defined and we reiterate that we look forward to working with you and other delivery partners to agree these as soon as possible.

The proposed delivery arrangements for the funds have been developed in close consultation with local partners; the Government shares their desire to be effectively involved in the design and delivery arrangements for the Funds. The Commission has some concerns about the Government's proposed delivery arrangements. Government is discussing these with the Commission and local stakeholders via the Growth Programme Board to try reach a compromise which is acceptable to all. Lord Ahmad attended the Growth Programme Board on 9 December when these matters were discussed.

We know the LGA and LEP Network are seeking views from LEPs on whether they want to take on some form of IB status. We are awaiting detailed proposals from the LGA/LEPs to see exactly how this might work, including how potential risks and liabilities might be managed if Managing Authority functions are delegated. At the moment, we do not envisage any mainstream Intermediate Bodies outside London. Some core cities will have intermediate body status in respect of project selection for Sustainable Urban Development projects only.

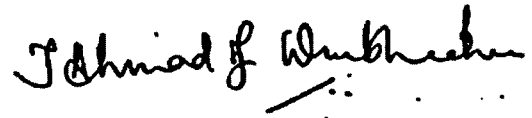
As you point out, governance arrangements are yet to be finalised as part of the Operational Programmes negotiations with the Commission. Growth Programme Board members and partners will be given the opportunity to input into the discussions on governance. Our approach in discussions with the European Commission and one which we wish to see reflected in the Operational Programmes is

that any arrangements put in place should enable partners to play a meaningful role in shaping and delivering the programmes

Thank you for sharing with us a copy of your recent submission to the Culture, Media and Sport Committee's inquiry into the visitor economy.



THE RT HON GREG CLARK MP



LORD (TARIQ) AHMAD OF WIMBLEDON

Cc: Helen Grant MP, Tourism Minister, Department for Culture, Media and Sport



Cabinet Office

The Rt Hon Greg Clark MP
Minister for Universities,
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Our ref: MCB2014/22130

Clr David Sparks OBE
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David

21 October 2014

Thank you for your letters of 28 August and 1 October on the development of the UK Partnership Agreement and the involvement of local partners in the delivery of European Structural and Investment Funds.

We are grateful for the support and input of local partners in reaching the point where the Partnership Agreement can be formally submitted to the European Commission.

You raise important issues about the role of the Programme Management Committee. It has a mixture of decision making and advisory powers. Its functions are set out in European statute and its remit is driven by those regulations. Within those statutory functions we want to make the most of the expertise the Committee can offer.

As you point out, it was agreed at the Growth Programme Board on 23 September that the Partnership Agreement should not include any detailed text about the delivery arrangements in England, because it is a strategic document and the detailed delivery arrangements will need to be audited before they can be approved. This cannot happen until the Operational Programme negotiation. It is in all of our interests to have our respective roles and responsibilities clearly defined and we look forward to working with you and the other delivery partners represented on the Board to bring these to a final form.

We would however like to reassure you that Government remains committed to the view that these funds will provide an important source of support for local growth and jobs and that it is essential any arrangements we put in place should enable partners to play a meaningful role in shaping and delivering the programme. This is the approach we are pursuing in our discussions with the European Commission and will be fully reflected in the Operational Programmes.

We have also firmly pressed the case for having the flexibility to undertake targeted investment in enabling activities such as broadband and transport where it is consistent with the Commission regulations.

We would welcome the opportunity to discuss further the matters you have raised at our meeting on 9 December.

Yours sincerely,

Greg Clark

THE RT HON GREG CLARK MP

Ahmad of Wimbledon

LORD AHMAD OF WIMBLEDON



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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Lord Ahmad of Wimbledon
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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
Bernadette Kelley and Tim Courtney, BIS
Julia Sweeney and Carole Sweetenham, DCLG