

**CITY OF NOTTINGHAM AND NOTTINGHAMSHIRE ECONOMIC
PROSPERITY COMMITTEE– 20 JUNE 2014**

Subject:	Finalising the D2N2 European Structural Investment Fund Strategy		
Presenting authority / representative):	Ian Curryer, Chief Executive, Nottingham City Council		
Report author and contact details:	Chris Henning chris.henning@nottinghamcity.gov.uk		
Key Decision <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Subject to call-in <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Value of decision: N/A at this stage			
Authorities affected: All Nottinghamshire local authorities.		Date of consultation with relevant authorities: 6 June 2014	
Summary of issues (including benefits to citizens/constituent authorities):			
<p>a) D2N2 LEP is required to submit the final version of its Strategy for European Structural and Investment Funds (ESIF). This Strategy sets out ambitions for the use of ESIF in D2N2 (worth some 244m Euros), investment priorities and the structure of underpinning programmes, a financial plan, targets and governance arrangements</p> <p>b) The LEP Board, at its meeting on 3 June, supported the current draft and agreed a number of recommendations, covering: Governance, approach to European Agriculture Fund for Rural Development (EAFRD) and Financial re-profiling</p> <p>c) The LEP is now required to develop an Annual Implementation Plan (including a project pipeline). In order to ensure that the citizens and businesses of Nottingham and Nottinghamshire benefit from the ESIF, the EPC should ensure that it plays an effective role in developing this plan and subsequent arrangements.</p>			
Exempt information:			
None.			
Recommendation(s):			
<p>That the Economic Prosperity Committee agrees to:</p> <p>a) Note the recommendations on the ESIF Strategy agreed by LEP Board;</p> <p>b) Ask Chief Executives to develop recommendations to inform the EPC's view on the Annual Implementation Plan (including management arrangements and a project pipeline) which will underpin this Strategy.</p>			

1 REASONS FOR RECOMMENDATIONS

- 1.1 D2N2 submitted its Strategy for European Structural and Investment Funds (ESIF) on 31 January 2014. It now faces two principal tasks:
 - a. Responding to Government comments on the ESIF Strategy and revising as necessary
 - b. Preparing to implement the strategy, including an 'Implementation Plan' by October 2014 with a view to commencing spend in 2015
- 1.2 In its feedback Government asked the LEP to revise its strategy so as to ensure compliance with EU and national guidance. In its meeting on 3 June, the LEP Board was therefore asked to approve the following recommendations – which it did, in order to ensure that the Strategy can

be approved by Government. The relevant LEP Board Paper is attached as an annex.

1.3 The recommendations considered by the LEP Board were as follows (reference to attached annex in brackets):

1.3.1 **Overall Governance** – D2N2 will establish a dedicated D2N2 ESIF Programme Board and the D2N2 Board will agree the membership template, nominate the Chair of the Programme Board and invite the Managing Authority to nominate a representative to be the Vice-Chair (paras 4.1 – 4.6)

1.3.2 **Role of Partners and Statement of Principles on Governance for D2N2 ESIF** – the attached annex (paras 4.7 – 4.13) sets out the proposed role of partners, including local authority joint committees and principles of Governance.

1.3.3 **Agreement of approach to European Agriculture Fund for Rural Development (EAFRD)** – The allocation of the EAFRD was confirmed by DEFRA late in the strategy development process and was therefore not fully considered by D2N2. Para 4.14 and 4.15 Appendix C of the attached annex sets out the recommended position.

1.3.4 **Reduction in ESF and ERDF allocation** – There has been a net reduction in the D2N2 allocation of ESF and ERDF from 249.7m Euros to 244m Euros. It was proposed to reduce all relevant allocations of ESF and ERDF by thematic area in equal proportion (approximately 2%) so that the balance of funding between priorities does not change. It was also proposed that spend will be re-profiled to accommodate the reduction in spend in the final year of the programme. (Para 4.16)

1.4 The LEP Board took the view that compliance was necessary to secure funding at this stage and all recommendations were agreed.

1.5 The LEP is now required to produce an Annual Implementation Plan which will contain detail of the management arrangements and a project pipeline; it is envisaged that this will take place between July and October 2014. The Committee will want to ensure that this plan reflects its views. It is proposed that Chief Executives of member authorities are asked to develop recommendations for the EPC's consideration in order to feed into this process. These recommendations should take account of points raised in discussion on this paper.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

2.1 An Annex sets out the relevant LEP Board paper which includes the recommendations above which was considered at the Board meeting.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

3.1 Not complying with the requests made by central Government to revise the ESIF Strategy. This was considered too risky, as non-compliance could mean that funding would not be made available. See, in particular, attached letter of 27 May from Mark Foley (DCLG) to David Ralph (Chief Executive, D2N2 LEP) on ESIF Programme Governance.

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

4.1 The output of this work will have implications for distribution and management of the European Structural Investment Fund 2014-2020 worth 244m Euros. However, this current decision does not have immediate implications for funding.

5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

5.1 None.

6 SOCIAL VALUE CONSIDERATIONS

6.1 N/A

7 EQUALITY IMPACT ASSESSMENT (EIA)

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council) ☐
- (b) No ☒
- (c) Yes – Equality Impact Assessment attached ☐

Due regard should be given to the equality implications identified in any attached EIA.

8 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

LEP Board Paper 3.2, 3 June 2014.

9 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

D2N2 EU Structural and Investment Funds Strategy, May 2014.

10 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

None.