

Combined Authority - Scrutiny Review of European Funding

	Recommendation	Responsible Officer	Agreed Action and Date of Implementation	Actual Date of Implementation	Update December 2015
	Governance Arrangements				
1	The Panel recognises that, whilst there is no formal governance role for the Combined Authority (CA) and the fact that the ESIF (European Structural and Investment Fund) Strategy was produced and submitted prior to the formation of the CA, the CA should seek a more formal role in any future arrangements	Lead CEX (Europe) (Mike Palin) with LEP Exec Director with responsibility (Alan Welby)	<p>Since the meeting of the Scrutiny Panel CLG have released Calls for projects but also indicated a stronger role for the Managing Authority as regards the overall Governance of the EU Programme. A paper was taken to the CA on April 17 outlining the implications. The paper recommended that once the details of this are fully known there is a Governance Review of the LCR approach to European Funding to ensure effective and efficient alignment of the Managing Authority role with LCR structures including the LEP and CA.</p> <p>Recommendation d) of the report to the CA stated:</p> <p><i>“Note the EU governance structures will be reviewed to ensure that robust decision making and accountability is in place to ensure local priorities are considered in the selection of projects by the Managing Authority”</i></p>	August 2015	<p>As noted, after the panel reported CLG strengthened their role over the programme and it was intended that the City Region would review Governance again in August.</p> <p>However, in August discussions were had with Government about whether the City Region might be able to increase the formal influence of the CA by seeking something called “Intermediate Body” status. This would increase the formal role of the CA in determining which projects would be funded in line with what the Panel identified.</p> <p>Subsequently, the request for IB status was included in the City Region submission to the Spending Review on September 4th. IB status was agreed to by Government as part of the ‘Devolution Deal’ with the City Region. As a consequence any Governance review is now required to factor this change in and dialogue will begin within Government to implement IB status.</p>
2	<p>That a more formal role should include</p> <ul style="list-style-type: none"> – Seeking assurance that projects being approved meet the CA's own plans and strategies. 	Lead CEX (Europe) (Mike Palin) with LEP Exec Director with responsibility (Alan Welby)	To ensure that projects fit against the plans and strategies of the LEP and CA a series of reports by theme area have been taken to the CA in the last year which identify priorities. These include an Enterprise Framework (which includes Business Support) and Innovation. It is intended that a report on ‘Place’ and ‘Low Carbon’ will go an upcoming CA identifying priorities in these theme areas. These jointly	August 2015	As above

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			<p>owned LEP/CA strategies represent the plans and strategies against which the Managing Authority will be expected to test the strategic fit of projects utilising the advice of the local ESIF Committee.</p> <p>To ensure this is appreciated by the Managing Authority the CA will write to the Managing Authority ensuring that they are aware of these strategies and plans.</p>		
	<ul style="list-style-type: none"> Assurance that the programme is delivering to its required outcomes. 	<p>Programme Team (CLG/DWP) and local TA Team reporting via CEX Europe and LEP Exec Director.</p>	<p>The programme monitoring role of the LCR ESIF Committee may change as the Managing Authority determine the final form of their function and role.</p> <p>Irrespective it is suggested that regular reports on programme performance be provided to both the LEP and the CA to ensure the programme is delivering the desired outcomes.</p>	<p>Last quarter 2015 (subject to managing authority clarification of role/process)</p>	<p>As above</p>
	<ul style="list-style-type: none"> A role for the CA in having strategic oversight of the programme. 	<p>Lead CEX (Europe)</p>	<p>CLG have not yet determined the final role/responsibilities they will have as the Managing Authority and that of the local ESIF Committee. As this becomes clear we will seek to ensure that the LEP/CA has an appropriate strategic oversight role.</p>	<p>August 2015 as part of governance review.</p>	<p>As above</p>
3	<p>The justification for that greater oversight stems from the overall role and purpose of the CA and from the fact that the Local Authorities will still be providers of significant amounts of match funding to support the delivery of many of the projects and therefore the overall objectives of the ESIF</p>	<p>N/A</p>	<p>This point is recognised.</p>	<p>N/A</p>	<p>N/A</p>

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4	Within the Operational Agreement (as part of its Constitution) approved by the CA as part of it establishing itself, there is a "European Protocol" document. The Panel recommends that the CA reviews that protocol alongside the review of its first 12 months of operation, ensuring it is fit for purpose, clearly defining who is responsible for what in relation to the European Funding Programme for the Liverpool City Region. The Panel felt that greater clarity was required in relation to the responsibility and accountability for the programme.	Lead CEX (Europe) working with CEX Group	It was agreed at the CA meeting on 17 April that there would be a wider Governance review surrounding the programme once clarity was provided from the Managing Authority on role/function of the local ESIF Committee. This will inform any required changes to the European Protocol. Given we are awaiting the Managing Authority to finalise the role/responsibilities of local ESIF Committees it proposed that such a review sit outside the current review of the CA's first 12 months of operation.	August 2015 as part of governance review.	This protocol will need revising alongside changes to implement IB status.
5	The Panel heard evidence that the LEP has a formal role to play in the programme. The Panel felt that this needs to be made clearer that the LEP is an integral part of the CA, being one of its thematic boards. The Panel felt that the inter-relation between the LEP and the CA needs greater emphasis.	Lead CEX (Europe)	Government has given key responsibilities to LEPs independent of the existence of CA's, in part because there are 39 LEP's in England providing 100% coverage of the country whilst CA's only exist in 5 City Region areas. The protocols establishing the CA in the Liverpool City Region recognise the requirement for an inter-relationship between the LEP and the CA and the provision of a voting right to a LEP representative ensures close working. These arrangements are stronger in the City Region than in other areas and although complex could be better emphasised and will form part of any communication plan going forward.	Implemented already but will be better communicated	N/A.
	Commissioning/Bidding Framework				
6	The Panel acknowledges the positive work being done by the DCLG locally and the LEP to shape the LCR European	Lead CEX (Europe) with Exec Director	The governance review needs to be undertaken once the Managing Authority is clear on local	Timing dependant on Managing	Project applications are currently being considered by the Managing Authority who have taken advice on the strategic fit of

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	Programme to ensure the maximum benefit is derived for the Liverpool City Region and appreciates that delays have been caused by the programme not being signed off by the EU. The process of committing EU funds is complex and the Panel would wish to see the CA having a clearer role in ensuring the LCR gets maximum benefits from the programme.	(LEP)	role/responsibility. Once this is clear, the review will seek to ensure that the LCR is in position to get maximum benefit from the programme.	Authority. Update to be provided by August.	projects from the ESIF Committee which represents the City Region bodies. The provision of advice has resulted in some projects – which felt to be unlikely to maximise impact – being rejected. This is a positive step in line with the Panel recommendation. Having IB status in the future will further strengthen the City Region influence.
7	Given that the EU funding available to the LCR is considerably less than that for previous programs it is imperative that it is spent in the most effective manner. The DCLG have indicated that collaborative and co-ordinated bids will be looked upon favorably, the Panel would like to see the CA encouraging constituent local authorities and other partners to work together to ensure that the collaborative bids are developed. With less money available it is essential that duplication and competition are avoided.	Lead CEX (Economic Development) for economic development bids. Lead CEX (Skills) for Skills Board	This is agreed and the CA/LEP and Constituent Authorities will work with DCLG to ensure that collaborative and coordinated bids are, as far as possible, put forward. This is a key feature of the strategies/plans that have been signed off by the LEP and CA over the last year.	Outline applications have been submitted in a way enabling consortium bids. Those will be further worked on.	The majority of bids being considered by CLG – after taking strategic fit advice from the ESIF Committee – are consortium bids including consortium of LA's and of LA's and Chamber of Commerce. Again, this is in line with the Panel's recommendations although the effectiveness of consortia will need to be monitored.
8	The CA should have a clearer role in any future review (as outlined in Lord Ahmad's letter) of the priorities and allocation of European Funding for the LCR	Lead CEX (Europe)	CA is a relatively new body and the priorities determined within the ESIF strategy were put together before the CA was formed. Although Government places this responsibility with the LEP, it would be expected that there would be close liaison with the CA in any future development of priorities as has been the case over the last year in the development of an Enterprise Framework and of the City Region Innovation Plan.	Will include in letter to Managing Authority (July 2015)	Letter was done. IB status should further strengthen CA role.
	Wider Issues/Comments				
9	In carrying out its review the Panel	Exec Director	The CA/LEP will work with DCLG to	Ongoing.	An information event was held to update on

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	considered the issue of publicity of the availability of resources through the European Programme and was keen to see that the opportunity to access funding went beyond the "usual suspects". The Panel recommends that the CA seeks assurances and commitment from the DCLG and the LEP that local communications are effective and that support arrangements are in place to facilitate bidding from as wide a range of organisations as is possible.	(LEP) and TA Team	ensure that there is an effective communications strategy. The report provided to the CA on April 17 included as recommendation b) that the CA: <i>Request the LEP Executive, in consultation with Local Authorities, develop and implement a communications plan to assist partners</i> " In addition, the LEP, with partners, undertook an information day with stakeholders on April 2 nd .		processes on April 2 nd . However, in encouraging consortia bids this did limit some bidding by other bodies. This is however consistent with seeking best value for European Funds.
10	The Panel also felt that the CA's role and responsibilities and those of relevant stakeholders should be mapped out and identified both in general terms and specifically relating to European Funding.	Lead CEX (Europe) with Exec Director (LEP)	This will be undertaken as part of the Governance review of the European Programme once the requirements of the Managing Authority are fully known.	August 2015	See reference to Governance review.
11	The Panel also felt, generally, that the absence of a LCRCA website was detrimental to a wider understanding of the CA's role and value. The Panel fully understands the resource restraints on all constituent Councils but feels the introduction of a dedicated website would go some way to promoting the positive role the CA is playing in the development of the LCR	Lead CEX (Europe) with Exec Director (LEP)	Consideration is being given to the development of a CA web site recognising that this would be a cost that would need to be met.	October 2015	The LEP put in place a new website including information on the European Programme over the summer. A CA website has also been developed but as yet, European information has not been added but will be in due course.