Date: 26 January 2018

Subject: Intermediate Body Status for Greater Manchester - delegations

Report of: Andy Burnham, GM Mayor and Ed Eamonn Boylan, Portfolio Lead Chief Executive for Investment and Simon Nokes, GMCA

PURPOSE OF REPORT

To seek agreement from Leaders for GMCA to delegate the GMCA responsibility for ratification of Intermediate Body decisions on the strategic fit of ERDF applications to the Chief Executive of GMCA in consultation with the GM Mayor.

This will ensure there are no perceived conflicts of interest if GMCA members have a governance relationship with potential applicants. It will also ensure no conflict with the fact that five GMCA members are on the GM ESIF Sub-Committee, so GMCA members do not have to make decision twice. Finally, the role of GMCA is only to ratify the recommendations of the GM ESIF Sub-Committee and delegation of this ratification would mean the ratification would not take up valuable and limited GMCA meeting time.

RECOMMENDATIONS:

Leaders are requested to:

a. Agree to delegate the responsibility for ratification of GMCA Intermediate Body decisions on the strategic fit of ERDF applications based upon the recommendations of the GM ESIF Sub-Committee to the Chief Executive of GMCA in consultation with the Greater Manchester Mayor.

CONTACT OFFICERS:
Alison Gordon, GMCA - alison.gordon@greatermanchester-ca.gov.uk
BACKGROUND PAPERS:

Report to GMCA 28th October 2016 - BREXIT: Impact of HM Government’s position of ESIF projects and services

Report to GMCA 16th December 2016 - GM ESIF Plan Progress Update

Report to GMCA 28th April 2017 – Intermediate Body Status for Greater Manchester

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<td>Does this report relate to a major strategic decision, as set out in the GMCA Constitution (paragraph 14.2) or in the process (paragraph 13.1 AGMA Constitution) agreed by the AGMA Executive Board:</td>
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<td>Are there any aspects in this report which means it should be considered to be exempt from call in by the AGMA Scrutiny Pool on the grounds of urgency?</td>
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1. **INTRODUCTION**

1.1 Prior to the EU Referendum in 2016, it was agreed that GM would take on limited Intermediate Body (IB) status for the European Structural and Investment Funding (ESIF) programme as part of the GM Devolution Deals.

1.2 Intermediate Body status does not see a transfer of EU funding from DCLG to GMCA, but it would give GMCA the ability to:

- Define call activity and timings;
- Strategic selection of projects; and
- Involvement in project monitoring.

1.3 Government announced on the 3rd October 2016, that all ESIF funding commitments (if they demonstrate value for money and are in line with domestic strategic priorities) that are under contract before the UK leaves the EU will be honoured by HM Treasury, even if those projects are contracted to continue beyond the date of exit.

1.4 On the basis that the future of the current ESIF programme is now known, GMCA agreed that it would take on IB status from 1st May 2017. IB applies to the entire remaining GM ERDF allocation of £41m, with allocation of spend in line with the GM ESIF and Sustainable Urban Development (SUD) Plans.

2. **INTERMEDIATE BODY PROCESS**

2.1 The GM ESIF team have worked closely with DCLG officers to ensure local governance, team structures and management processes are fit for purpose in ensuring an appropriate separation of functions of roles and accountability is in place in order to deliver IB. These have been approved by DCLG.

2.2 A significant element of this local governance is the GM ESIF Sub-Committee which is chaired by the GMCA Portfolio Lead for Investment and members include GMCA Portfolio Leads for Transport (Mayor Andy Burnham), Low Carbon (Cllr Alex Ganotis), Equality, Fairness and Inclusion (Cllr Jean Stretton) and Cllr Sue Murphy, the GMCA Portfolio Lead on Business and Economy’s nomination. The ESIF Sub-Committee membership also includes representation from GM’s universities, private and voluntary sectors.

2.3 The GM ESIF Committee’s role is to make recommendations on call design/strategic fit to GMCA as the Intermediate Body and to DCLG on deliverability and value for money aspects of submitted applications.

2.4 **Call Design** - GM ESIF officers draft the local context and local priorities of ERDF funding calls based upon the GM ESIF and SUD Plans, which were in turn based upon the Greater Manchester Strategy. These are then amended or agreed by the Chief Executive’s Appraisal Sub Group.
(ESIF), before seeking agreement from the GM ESIF Sub-Committee, a sub-committee of the ESIF national programme board, and are then issued as a call for projects.

2.5 **Strategic selection of projects** – When a call for projects is issued, applicants apply through a two stage process: an outline application and a full application. DCLG as the managing authority determines if an application is eligible.

2.6 Eligible outline applications are then appraised by the GM ESIF intermediate body team based upon the strategic fit to GM’s ESIF and/or SUD Plans, value for money and deliverability of the project. As with call design, the GM IB officer’s appraisals are then reviewed by the Chief Executive’s Appraisal Subgroup and a joint GMCA (IB)/DCLG appraisal and recommendation on a project progressing to full application is made.

2.7 For applicants invited to submit a full application, the same process as 2.6 is followed, with an additional step that GMCA will ratify the recommendation of the GM ESIF Sub-Committee.

2.8 Since GMCA took on IB responsibilities on 1st May 2017, a number of calls have been issued (or are soon to be issued) including calls for science commercialisation, business support and a SUD call for low carbon innovation projects. Outline applications have been received and have been appraised following the steps above.

2.9 Full applications for science commercialisation, low carbon innovation and business support will be received from February/March 2018 onwards.

3. **RATIFICATION OF FULL ERDF APPLICATIONS**

3.1 Full ERDF applications for funding require the GMCA’s ratification of the strategic fit recommendations of the GM ESIF Sub-Committee.

3.2 It is proposed that the ratification of the GM ESIF Sub-Committee’s recommendations are delegated to the Chief Executive of GMCA in conjunction with the Mayor of Greater Manchester.

3.3 There are a number of reasons that support this:

- GMCA is represented on the GM ESIF Sub-Committee, with five GMCA members alongside members representing the academic, private and voluntary sectors;
- Delegation of GMCA’s ratification to GMCA’s Chief Executive in conjunction with the Mayor will ensure there are no perceived conflicts of interest if GMCA members have a governance relationship with potential applicants;
- It will also ensure no conflict with the fact that five GMCA members are on the GM ESIF Sub-Committee, so GMCA members do not have to make decision twice.
- Delegation of ratification to GMCA’s Chief Executive working with the Mayor would mean the ratification would not take up valuable and limited GMCA meeting time.
3.4 This does not remove decision making from GMCA, as five GMCA members are on the GM ESIF sub-committee that make recommendations for ratification.

3.5 Subject to GMCA’s agreement, this delegation would be in place from early February 2018

4. RECOMMENDATIONS

4.1 The recommendations can be found at the front of this report.