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**Report to:** West Yorkshire and York Investment Committee

**Date:** 6 September 2017

**Subject:** European Structural and Investment Funds (ESIF) – Sustainable Urban Development (SUD)

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## **1. Purpose**

- 1.1 To update the Committee on progress made on the development and publication of the SUD Call and outline next steps.

## **2. Background**

- 2.1 On 8 March 2017, the Investment Committee considered and noted the roles and responsibilities relating to Intermediate Body (IB) status delegated to West Yorkshire Combined Authority (WYCA) in order to deliver the SUD Strategy, part of the ESIF Programme.
- 2.2 The Committee, in its advisory role, provided advice on the draft SUD Call at its meeting in June 2017, which was subsequently agreed by the WYCA, at the 29 June 2017 meeting, for it to be published July 2017 by the Managing Authority (MA), Department for Communities and Local Government (DCLG).

## **3. Progress made to date**

- 3.1 The Call was published on Monday 3 July 2017, earlier than expected. The Call will close on Friday 29 September 2017 for outline applications. It is expected that outline applications will be presented to the IC for consideration and advice by November 2017.
- 3.2 A workshop for applicants who are considering applying for the funds was held on 9 August 2017 in Leeds, led by WYCA officers. The event was well attended with over 37 attendees and which was well received. Information was provided on the nature of the Call focussing on the local development need section, how to apply – with a session from DCLG colleagues focussing on eligibility and compliance.
- 3.3 WYCA as the IB will assess each outline application, after the closing date. WYCA, will, taking account of advice from the Investment Committee, be asked to:
- undertake an assessment of the project under the selection criteria delegated to it - and will decide which to approve in relation to the relevant Project Selection

Criteria.

- provide the MA with advice on value for money and deliverability under the core selection criteria for which it has an advisory role.
- in providing this advice WYCA will consult with the Investment Committee – supported by officers from the Research and Intelligence Unit who will present their initial findings.
- take account of the IC's view before finalising its advice to the MA
- summarise its assessment and advice using a standard template

3.4 DCLG, as MA, have now issued formal guidance for the IB to adhere to with regard to the business process and the assessment of applications. Further information will be provided on the selection criteria, set out by the MA, at the next meeting.

#### **4. Risks**

4.1 The risks of non-compliance with regard to the delegated function of WYCA as an Intermediate Body were previously outlined at the meeting in March 2017.

4.2 At this stage the main risk still remains to whether there is sufficient interest from stakeholders/bidders to apply for the funds in response to the published Call, If not the funding would remain unspent and potentially could be lost to the City Region.

#### **5. Benefits**

5.1 SUD will provide project grant funding of €19.5m (£15.5 - £17m dependant on exchange rate). This funding will be available for partners including WYCA to bid for to support key projects to support the delivery of the ESIF Strategy and the Strategic Economic Plan.

#### **6. Financial Implications**

6.1 DCLG, as MA for the funds, are responsible for the issuing of Funding Agreements, paying projects and general contract management. The funding within the Strategy (€19.95m) is a notional budget and is part of the ESIF ERDF programme. All finances go directly through DCLGs accounts not WYCA's.

6.2 If WYCA chooses to bid themselves for the funds there will be implications for WYCA in respect of providing match to the value of 50% of any project costs, itself or in partnership with others.

#### **7. Legal Implications**

7.1 None – for information only.

## **8. Staffing Implications**

- 8.1 Staffing is already in place to undertake the work required under SUD as part of the development and implementation of the wider ESIF Programme. Should WYCA choose to bid for the funds itself staff resources may be required in order to complete the application(s).

## **9. Recommendations**

- 9.1 That the Committee note the progress made in the publication of the Call and note next steps.