Report to:	West Yorkshire Combined Authority
Date:	13 December 2018
Subject:	**European Structural and Investment Funds (ESIF) – Sustainable Urban Development (SUD)**
Director:	Angela Taylor, Director of Resources
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Is this a key decision?	☒ Yes ☐ No
Is the decision eligible for call-in by Scrutiny?	☒ Yes ☐ No
Does the report contain confidential or exempt information or appendices?	☒ Yes ☐ No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	Paragraph 3

1. Purpose of this report

1.1 That the Combined Authority, in its role as the Intermediate Body (IB) for the SUD part of the ESIF programme, approve the advice included in the full application assessment form at Part 2 of Appendix 1, and any respective conditions outlined in Part 4a. The form will be then be submitted to the Managing Authority (MA), Ministry of Housing, Communities and Local Government (MHCLG).

2. Information

2.1 The Combined Authority selected the projects to progress from outline to full application stage, following final reconciliation to the available budget by the Ministry of Housing, Communities and Local Government (MHCLG) as the Managing Authority (MA) for the funds at the December 2018 meeting. This resulted in four out of the five selected projects asked to progress to full application in February 2018, with one project placed on a reserve list should funds become available.

2.2 Unfortunately since February two projects have now been deemed ineligible by the MA under the EU Regulations after submitting their full application. Reasons include one applicant did not fully meet the requirements of the

selection criteria as a significant proportion of the project costs were deemed to be ineligible. The other application as presented at full application stage had radically changed, and no longer reflected the activities, level of investment or contribution to the Call and the ERDF Operational Programme as set out in the outline application, including a significant reduction in outputs such that the proposal no longer represented value for money. A third project had to withdraw from the process themselves. This left one project able to progress to the full application stage. This full application is now being presented to the Combined Authority.

Selection Process and Assessment Form

2.3 The selection process for SUD, part of the ESIF programme, has been set out in guidance notes issued to the IB by MHCLG, as the MA.

2.4 The IB has already assessed each outline application for local strategic fit based on the Leeds City Region ESIF SUD Strategy and made its project selection, setting out its advice and any respective conditions for the applicant to consider when developing the full application.

2.5 Assessment forms are designed and owned by MHCLG. The full assessment form is split in to 4 sections and each completed by either the IB or the MA as follows:

- Part 1, summary project details - completed by MHCLG
- Part 2, the IB's assessment - completed by the Combined Authority
- Part 3, the MA's assessment - completed by MHCLG
- Part 4, selection decision - completed by the Combined Authority (4a) and MHCLG (4b and 4c).

2.6 The Investment Committee was asked for advice at its meeting on the 7th November 2018 on whether the proposals set out at full application continue to appropriately address:

- local domestic priorities, development needs/growth conditions and opportunities.
- the contribution and value for money proposed in the context of the Operational Programme and local ESIF Strategy.
- any local issues that need to be taken into account in the development and/or delivery of the project.

Undertaking the Assessment

2.7 In line with the agreed IB Conflict of Interest Statement and Operating Protocol the full application has been considered by the Appraisal Team, under the responsibility of the Head of Research and Intelligence from the Combined Authority, who have undertaken their own assessment in line with the criteria outlined above. Their findings are presented to the Combined Authority at the meeting. In addition to officers from the Appraisal team the MA will also be in attendance and can respond to questions raised by Combined Authority members regarding the assessment as required.

2.8 The overall summary of the full assessment indicates the scoring criteria is considered to be met. The project is considered to be sufficiently developed to enable the MA to issue a funding agreement subject to the proposed conditions set out in the assessment being fully met.

3. Inclusive Growth Implications

3.1 There are no inclusive growth implications directly arising from this report.

4. Financial Implications

4.1 MHCLG, as MA for the funds, is 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 MHCLG's accounts not the Combined Authority's.

5. Legal Implications

5.1 The information contained in Appendix 1 is exempt under paragraph 3 of Part 1 to Schedule 12A of the Local Government Act 1972 as it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). It is considered that the public interest in maintaining the content of the appendices as exempt outweighs the public interest in disclosing the information as publication could prejudice current and future decision making.

6. Staffing Implications

6.1 There are no staffing implications directly arising from this report.

7. External Consultees

7.1 MHCLG have been consulted in their role as Managing Authority in the production of this report.

8. Recommendations

8.1 That the Combined Authority, in its role as the Intermediate Body for the SUD part of the ESIF programme, approve the advice included in the full application assessment forms at Part 2 of Appendix 1, and any respective conditions outlined in Part 4a.

9. Background Documents

9.1 None.

10. Appendices

10.1 Exempt Appendix 1