

From: Programme Delivery Team

To: Performance Monitoring Sub-Committee

Subject: MINUTES OF THE MEETING Tuesday 24 January 2012

PRESENT

PMSC Members/Alternates

Sir Howard Bernstein (Chair)		Regional Leaders Board
Brian Bailey	BB	Lancashire Sub Region
Andy Churchill	AC	Voluntary Sector
Neil Clatworthy	NC	NW Universities Association
Cllr Phil Davies	PDa	Merseyside Sub Region
Paul Dodson	PDo	Cumbria Sub Region
Francis Lee	FL	Cheshire Sub Region
Alan Manning	AM	North West TUC
Cllr Sue Murphy	SM	Greater Manchester Sub Region
Paul Roots	PR	Environment Agency

Programme Delivery Team

David Read	DR	Head of NW ERDF Programme
Nicola Lavin	NL	ERDF Head of Projects
Ruth Hollis		ERDF Committee Support Officer

Support Staff

Sarah Carling	ERDF Appraisal & E&D Manager
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Observers

Paul Dickson	Merseyside Sub Region
Paul Evans	Manchester Sub Region
Kevin Little	Cumbria Sub Region
Shabana Patel	Lancashire Sub Region

Apologies

Cllr Flo Clucas	Committee of the Regions
Allan Haile	Cumbria Sub Region
Cllr Herbert Manley	Cheshire Sub Region

Welcome & Introductions

The Chair opened the meeting at 13.42.

Apologies

Apologies were noted as on Page 1.

Minutes of the meeting 9 November 2011

The Minutes were agreed as a true record.

Matters Arising from 9 November 2011

Action:

DR to meet with the Environment Agency to discuss the approach for Sustainability inclusion into the work of the Strategy Group.

Meeting arranged for March.

Declarations of Interest

AC declared an interest in the Social Enterprise items generally.

PDa declared a personal interest in Mersey maritime, as a Non-Executive Director.

PDo declared an interest in the Social Enterprise project (Item 2a).

Item 1: Programme Update

DR updated members on progress. There are no major changes to PDT processes since moving to DCLG, which cannot be said for all PDTs. Detail of central matters such as procurement or State Aid is awaited. Staff training is planned in February/March. Re-quantification of the NWOP is not yet finalised.

- 1.1 The Chair informed members RLB will meet on 15 February and DR will make a presentation to show emerging priorities. Hopefully by the next LMC (20 March) we will be in a position to address the re-quantification in more detail. DR added the proposed request to EC for NWOP revision will be brought to LMC. Projects are advising PDT what is deliverable. PDa felt it would be very helpful to members if the revised outputs table [discussed at EESG] with the assumptions being used for the revision could be circulated to members.
- 1.2 PR asked what is the emerging thinking on commercial and industrial waste? DR suggested a conversation off line to discuss possibilities.
- 1.3 BB suggested LEPs are now becoming aware of ERDF and asked if there would be a window between the re-quantification outcome and the

start of national programmes to re-focus the programme. DR replied LEP views are being collated; these show differing priorities, both for what is deliverable in this programme and for aligning the next. We need to focus on spend for the remainder of this programme. Projects circulated for endorsement by written procedure have been factored in to the process; the Green Book Appraisal on the large Northern Gateway project raised some issues to address.

- 1.4 At the last LMC concerns were raised about the performance of the North West Fund. £10.9m was invested to the end of December against an original target of £22.9m, revised to £16.5m. An independent evaluation was requested, of NWF and the 6 fund managers. An ITT was issued, resulting in the appointment of Ekos to carry out the evaluation. Ekos have been working heavily in the North West, and have a good understanding of the North West market. The inception meeting took place on Monday 23 January, with the first draft of the report anticipated by the end of February.
- 1.5 SM informed members the FEISC had met with YFM (Development Capital fund managers) and Spark Capital (Biomedical fund). The two presentations were a great contrast. Some of the funds are performing really well, the difference was in the engagement and knowledge of the fund managers.
- 1.6 The Chair commented part of the problem, whoever is operating the NWF, is adjusting from a process and infrastructure heavily dependent on business support which changed abruptly with the demise of NWDA. All of us need to see how operational delivery of a regional fund can be provided. We have to deliver a concise analysis for LMC in March.

Action:
PDT to circulate revised outputs table to members.

Action:
PDT and Environment Agency to discuss position re commercial and industrial waste.

Item 2: Projects for Endorsement

NL introduced the projects for endorsement.

2.a: Big Enterprise in Communities

NL outlined the project.

- 2.a.1 BB suggested close working with partners is essential to enable the proposed outputs.

Conclusion:
PMSC members endorsed the project: Big Enterprise in Communities.

2.b: Making Business Work

- 2.b.1 PR was pleased to see recognition in the proposed Priority 4 call of the link between business performance and business efficiency, even in start ups, but there is no reference to that in these two projects. NL replied Mark Joslyn has been asked to ensure there are some ways to incorporate this. DR noted open calls are behind this proposal so it cannot be as specific as calls going forward. The EESG had discussed showing evidence of CCT inclusion, a difficult exercise to provide something which is relevant to early stage businesses. Any input from members would be welcomed.
- 2.b.2 AC mentioned another imminent project which should be able to collaborate with the Merseyside project.

Conclusion:
PMSC Members endorsed the project: Making Business Work.

2.c: Maritime Sector Development – Change Control

- 2.c.1 Members agreed the endorse the project.

Conclusion:
PMSC Members endorsed the Change Control for Maritime Sector Development.

Item 3: Report on Project Performance

DR introduced the paper. PDT are working very closely with projects.

- 3.1 BB asked if the re-quantification would shift emphasis away from those areas currently over target. DR responded there is a certain trade-off, whereby no more such developments would be bought, but it must be recognised the money has increased by 20% so nothing should be excluded. BB suggested LEPs may be advised against such areas.
- 3.2 PR asked how JESSICA risks are being managed. The Chair replied on £2m of JESSICA funding is currently operational. A full pipeline is being developed and significant investment is confidently predicted by the end of the year. Investment can continue to December 2014. The Merseyside UDF agreement is not yet signed.
- 3.3 DR noted FEIs are closely watched by both CLG and the EC. The Chair added the objective is to commit 50% of the funding by the end of this year.

- 3.4 PDT are considering how best to represent the management information. AC thought this would be clearer in a few months.

Item 4: Update on Super Fast Broadband

NL updated members on this strategically important project.

- 4.1 The Chair commented £24m allocation from the Growing Places Fund has now become available in Manchester, giving confidence that SFB can be supported. DR added Merseyside have received £10m for City Development. SFB gives another entity to fit in with business support.
- 4.2 AM noted the State Aid issue is left out of the paper – is Plan B now being considered? The Chair responded CLG have done a lot of work on this subject, which is now becoming clearer. Whilst not minimising State Aid, there is now a stronger platform to enable management of the scheme and align public/private funding. DR added LEP priorities will be encouraged to have a Plan B as a safeguard.
- 4.3 NL reported 3 applications are anticipated (closing date 24 January), from Cheshire, Cumbria and Manchester, and PDT will be issuing a tender for TA.

Item 5: Report on Project Development

DR outlined the paper. It is likely c£10m will be available for reallocation from Priority 5 and PDT are looking where this would be best aligned before presenting the proposal to the EC as part of the re-quantification request. The draft report will first be discussed by LMC and Sub Committees.

Merseyside held a Priority 1 workshop in December. The conclusion from the workshop was to consider 4 projects for development. A task group has been formed for this purpose and will report back in due course.

Item 6: AOB

There being no other business, the Chair thanked members for their attendance and closed the meeting at 12.55pm.

To note: Date of next meeting: Tuesday 27 March 2012 13.30 – 16.00
Riverside Innovation Centre
Castle Drive
Chester
CH1 1SL

Minutes agreed by PMSC

Signed **Sir Howard Bernstein (Chair)**
Regional Leaders Board

Date