

CONVERGENCE PROGRAMME FOR  
CORNWALL AND ISLES OF SCILLY  
EUROPEAN REGIONAL DEVELOPMENT FUND  
EUROPEAN SOCIAL FUND  
JOINT LOCAL MANAGEMENT COMMITTEE  
Friday 14 October 2011 10am – 1.00 pm  
Epiphany House, Truro

**Attendees:**

Jon Bright	DCLG (Chair)
Cllr Alec Robertson	Cornwall Council (Joint Deputy Chair)
Chris Pomfret	Cornwall & Isles of Scilly Local Enterprise Partnership (Joint Deputy Chair)
Cllr Chris Ridgers	Cornwall Council
Cllr Doris Ansari	Cornwall Council
Tom Flanagan	Cornwall Council, on behalf of Kevin Lavery
Cllr Marion Bennett	Council of the Isles of Scilly, on behalf of Mike Hicks
Craig Dryden	Council of the Isles of Scilly, on behalf of Philip Hygate
Tarn Lamb	Cornwall Neighbourhoods for Change/Voluntary Sector Forum (Equalities cross-cutting theme)
Helen Cole	South West TUC
Toby Parkins	Cornwall & Isles of Scilly Local Enterprise Partnership
Shaun Galloway	Cornwall & Isles of Scilly Local Enterprise Partnership
Thelma Sorensen	Cornwall Business Partnership
Peter Long	ESF Division, Department for Work & Pensions
Paul Wickes	Local Employment & Skills Board
Paul Lucken	Skills Funding Agency (Co-Financing Organisation)
Carolyn Webster	Jobcentre Plus (Co-Financing Organisation)
Tony Mulvilhill	National Offender Management Service (Co-Financing Organisation)
Peter Hardaker	Cornwall Rural Implementation Group (RDPE)
Mark Richardson	Cornwall Voluntary Sector Forum
Theo Leijser	ERDF Local Director, Managing Authority (DCLG)



**Observers:**

Tamara Pavlin	DG Regio
Sally Edgington	Department for Business Innovation & Skills (BIS), on behalf of Ian Coates
Mark Yeoman	Convergence Partnership Office, on behalf of Carleen Kelemen

**In attendance:**

Phil McVey	DCLG
Mark Williams	Skills Funding Agency
Philip Charlesworth	ESF Division, DWP
Michelle James	ERDF Secretariat, DCLG
Elaine Edmond	ERDF Secretariat, DCLG
Tim Wheatley	ERDF Secretariat, DCLG
Suzy Wright	Employment & Skills Partnership
Sandra Rothwell	Cornwall Council

**Apologies**

Judy Proctor	Environment Kernow (Environment cross-cutting theme)
Cllr John Wood	Cornwall Council
Adrian Neale	DG Employment

**Welcome and Apologies**

The chair welcomed members to the inaugural meeting and introduced the two deputy chairs designate. Members introduced themselves and were reminded to submit their signed codes of conduct.

The chair expressed thanks on behalf of the Committee to two members for whom this was the last meeting. Phil McVey was thanked for the instrumental role he had played in progressing the current and previous European programmes and the huge support he had given to the Programme Managing Committee. This was echoed by the leader of Cornwall Council who thanked Phil for his contribution on behalf of Cornish partners. Mark Williams was thanked for his role in driving forward the skills and ESF agenda through the

many partnerships he had supported in Cornwall & the Isles of Scilly.	
<b>Item 1a: Minutes of 8 June 2011 meeting CONV PMC Paper October 2011/1)</b>	
	The minutes of the meeting of 8 June 2011 were agreed as an accurate record.
<b>Matters Arising</b>	
	<p>Item 2.2 – the Skills Funding Agency reported that, despite concerns that national priorities might impact on their ability to support Convergence priorities, they would continue to support Level 3 and 4 skills in Cornwall &amp; the Isles of Scilly at roughly similar rates largely via the advanced apprenticeship programme.</p> <p>Item 3.4 – the error rate for the Convergence Programme had now been confirmed as 0.3%.</p> <p>Item 4.2 - links to DWP Wave 2 and Wave 3 cohort study data had been circulated to LMC.</p> <p>Item 4.5 - concerns were raised about the Skills Funding Agency ACTOR procurement system (Approved College and Training Organisations Register), which was felt to disadvantage applicants as it could not record added value. The SFA reported that ACTOR had been used for one round of tendering this year and a review had subsequently taken place. As a result the SFA had established that in any future procurement exercise mini-competitions would be used as part of the process. This could be a positive development to the process without adding unduly to the complexity or bureaucracy of the procurement processes.</p> <p>The SFA informed the meeting that i. there was a delay in the next procurement round and ii. dedicated SFA staff resource would remain in Convergence.</p> <p>Item 5.2 – Isles of Scilly link project - the Isles of Scilly Council reported it had selected a preferred contractor for detailed work on its proposal for St Mary's Harbour and submitted a bid to the Department for Transport for development costs. The Department</p>

	<p>had confirmed it would not consider a disaggregated project; however, if there was no significant progress on Penzance harbour by early 2012, the Council proposed to re-apply. DG Regio reiterated that, as the Isles of Scilly link was an element of the Operational Programme, the Commission was keen to see the issue resolved. It was reported that the LEP board was supportive of disaggregation. <b>Agreed: next LMC to include an update on the Isles of Scilly/Penzance harbour projects.</b> Peter Hardaker, who subsequently declared an interest as a director of the Isles of Scilly Steamship Company, did not participate in this discussion.</p> <p>Item 8.4 – following the Technical Assistance capacity review, Cornwall Council had drafted proposals on which it was consulting key partnerships and would report to LMC. Jobcentre Plus asked for ESF communications to be included in discussions. It was noted that RDPE had no Technical Assistance and relied on partners to undertake communications activities. LMC was keen to see coherent communications about all European programmes operating in Cornwall if a way could be found to achieve this.</p>
<b>Item 1b: Formal Closure of Convergence Joint Programme Monitoring Committee.</b>	
	The chairman declared the Convergence Joint Programme Monitoring formally closed.
<b>Induction – Overview of ERDF Role of Local Management Committee</b>	
<b>Item 2a: Overview of European Funding ERDF/ESF/RDPE/FIFG and purpose of the Local Management Committee – DCLG</b>	
2.1	<p>DCLG gave an overview of the Structural Funds operating in Cornwall &amp; the Isles of Scilly, referring members to induction packs for further information and reference sources. Three distinct but complementary roles of the LMC were outlined:</p> <ul style="list-style-type: none"> <li>• to ensure that European investment was used to best effect on behalf of the communities and people of Cornwall &amp; the Isles of</li> </ul>

2.2	<p>Scilly;</p> <ul style="list-style-type: none"> <li>• to fulfil its duty on behalf of the European Commission to ensure that investments complied with EC Regulations and helped deliver the EU objectives to which the UK had subscribed with other member states.</li> <li>• detailed responsibilities in respect of monitoring and management.</li> </ul> <p>The LMC had responsibilities for two funds, ESF and ERDF, delivered through one programme, Convergence. The Operational Programme, which set out what the Programme aimed to achieve, had been developed through an extensive consultation process and represented the contract with the European Commission.</p>
2.3	<p>Other European programmes in Cornwall &amp; the Isles of Scilly were RDPE (Rural Development Programme for England), the fisheries programme, cross-border programmes and framework programmes for R&amp;D. The challenge was to align activities supported by the programmes where possible.</p>
2.4	<p>In response to DCLG's offer of further induction sessions, LMC agreed that a workshop should be held for all members. <b>DCLG to arrange induction session before next LMC.</b></p>
<b>Item 2b: Overview of features of performance reporting –DCLG</b>	
2.5	<p>DCLG gave a presentation to familiarise LMC members with data, terminology and concepts used in performance reporting and sought feedback on the format of the LMC report. Issues included:</p> <ul style="list-style-type: none"> <li>• the need to monitor exchange rates which caused allocation levels to fluctuate;</li> <li>• the unique partner-driven commissioning approach adopted in the South West, whereby partners shaped the Operational Programme, outlining types of activities required to achieve Programme objectives but not the delivery method. Investable projects were developed through calls for EOIs or working with</li> </ul>

	<p>specific partner/s;</p> <ul style="list-style-type: none"> <li>• Strategic Investment Frameworks (SIFs) which identified potential opportunities to invest in priority geographical areas;</li> <li>• examples of Programme level risks. Previously, these had been reported by exception to LMC and it was proposed to continue on this basis. Individual project risks would not be brought to LMC unless significant enough to justify as programme risks.</li> </ul>
2.6	Members were encouraged to contact the ERDF Secretariat to ask questions or for further information.
2.7	<p>LMC members accepted the report format as providing the essential information required for monitoring, though additional information might be requested. It was commented that the format had improved and provided a useful standard template. However, a request was made for information to be clearer and more visual; for example, a flowchart showing approval and monitoring processes, LMC and sub-group roles and trajectories for outputs/results. <b>Action: ERDF Secretariat to develop flowcharts for key business processes for the induction.</b></p>
<b>Item 2c: Overview of LMC role in compliance - DCLG</b>	
2.8	DCLG's Head of Compliance gave a presentation on the LMC role in compliance, outlining the roles of the Managing Authority, ERDF delivery team, Certifying Authority and Audit Authority and LMC's supervisory role as required by EC Regulations.
2.9	<p>The project life cycle was briefly outlined, from appraisal through monitoring and verification stages. It was explained that the monitoring team checked projects' compliance, and the Audit Authority carried out project and systems level audits. The results from their project level audits inform the calculation of error rates. Currently the team was working towards the annual declaration which would set out how many "irregularities" had occurred; that is, how many errors in part of an operation which resulted in financial penalty to the project. The most common compliance issues</p>

2.10	<p>included procurement, overheads, ineligible expenditure and failure to follow publicity requirements. All of these can lead to loss of grant and penalties. Further information and case studies would be presented in future.</p> <p>DG Regio confirmed that compliance was a key issue for the EC but recognised that a balance must be achieved between this and achieving results and impacts. The Chairman confirmed that compliance was a priority for DCLG as the EC expected all Programmes to have an error rate below 2%. Performance in the South West had been good to date and must be maintained.</p>
<b>Induction – Overview of ESF Role of Local Management Committee</b>	
<b>Item 3a: Overview of the ESF Convergence Programme – SFA</b>	
3.1	<p>The Skills Funding Agency gave an overview of the ESF Programme. The ESF Convergence Framework which had been drawn up in consultation with all partners and endorsed by the PMC, included the identification of 5 key areas (Integrated Investment Themes) to help direct activity for the second half of the programme, 2011–2013:</p> <ul style="list-style-type: none"> <li>• Low Carbon and Environment</li> <li>• Enterprise and Entrepreneurship</li> <li>• Key Sectors</li> <li>• Eco-Town</li> <li>• Digital Economy</li> </ul>
3.2	<p>The Programme allocation was 196.4m Euros over 2007–13. With UK public match funding this amounted to 261.9m Euros.</p>
3.3	<p>The allocations were in the main distributed by the ESF Division/DWP to three approved Co-financing organisations – Skills Funding Agency (SFA, part of the Department for Business, Innovation &amp; Skills), Department for Work and Pensions (DWP, locally Jobcentre Plus) and National Offender Management Service (NOMS, part of the Ministry of Justice). In addition the Convergence ESF was investing a substantial amount of programme expenditure into the Higher Education Programmes.</p>



3.4	<p>Within the ESF national Operational Programme the Convergence investment was allocated thus:</p> <p>Priority 4 Tackling Barriers to Employment 38%</p> <p>Priority 5 Improving the Skills of the Local Workforce 60%</p> <p>Priority 6 Technical Assistance 2%</p>
3.5	<p>The meeting was reminded that the decision had been taken by partners in Cornwall to split ESF Convergence funding as follows</p> <ul style="list-style-type: none"> <li>• 60% Skills</li> <li>• 40% Employment</li> </ul> <p>In other English regions the split was reversed and direct investment in Higher Education was unique to Convergence.</p> <p>The decision to hold a joint ERDF LMC/ESF Regional Committee and joint subgroups was an important aspect for the integration the two programmes. The only other joint ESF/ERDF committee was London, others having been abolished. This gave Convergence an opportunity to ensure that benefits from alignment are realised.</p>
<b>Item 3b</b>	<b>Review of the first half of the ESF Convergence Programme</b>
3.6	<p>Mark Yeoman reiterated that ESF Convergence was exploiting its unique opportunities to invest in employment and skills agendas at higher levels (3 and 4 and direct investment in HE) and using different financial models than other areas. Looking back, the national programme was well regarded by the EC and Cornwall &amp; the Isle of Scilly was performing well within the programme, but the future would be challenging as the Programme sought to maintain its reputation in the context of new approaches to the employment and skills agendas.</p>
3.7	<p>ESF had also been very successfully aligned with RDPE funding and with mainstream. The importance of making programmes work together, particularly with the mainstream, was acknowledged.</p>
<b>Formal Opening of the Joint Local Management Committee meeting</b>	
<b>Item 4a:</b>	<b>Joint Local Management Committee Terms of Reference</b>
4.1	The LMC considered the draft Terms of Reference (CONV LMC



	<p>Paper Oct 2011/03), which had been developed with partners and in accordance with Managing Authority guidance. It was noted that LMC would build on decisions previously taken by the former Programme Monitoring Committee. The committee's primary function was the formal monitoring of the programme as required by EC regulations and the group was not an executive body. The Terms of Reference had been agreed by DWP and incorporated feedback from partners. They would be reviewed periodically by LMC and the managing authority to assess how the group was working, whether the Terms of Reference were being adhered to and whether diversity guidance including gender balance was being met.</p>
4.2	<p>The current gender balance was 6 female to 17 male members. As a balance was a programme target which organisations had been asked to consider in nominating members, this would be reviewed next year and once sub-groups were established to determine whether to take any corrective action.</p>
4.3	<p>LMC members argued that the Terms of Reference emphasised monitoring functions but did not sufficiently recognise the group's strategic role in setting direction for the Programme nor the role of the broader membership in ensuring that decisions reflected local priorities. It was agreed to augment the Terms of Reference to reflect the strategic role; however, DG Regio pointed out EC Regulations specified the committee's role and that, as the Programme strategy was negotiated in 2006 and enshrined in the Operational Programme, there were limits on the extent to which strategic direction could be shifted. This was accepted. <b>Action: DCLG to amend Terms of Reference to capture LMC's strategic role and give more weight to this vs its administrative functions.</b></p>
4.4	<p>It was agreed that declaration of interests should be a standing item at the beginning of all agendas.</p>
4.5	<p><b>LMC agreed the Terms of Reference subject to additional</b></p>

	<b>wording to reflect the group's strategic management role within the parameters of the EC Regulations. The Chair and Deputy Chair to agree the additional wording.</b>
<b>Item 4b:</b>	<b>Formal appointment of Deputy Chairs</b>
4.6	LMC unanimously agreed the appointment of Alec Robertson (Cornwall Council) and Chris Pomfret (Cornwall & Isles of Scilly LEP) as joint deputy chairs. Each deputy chair then gave an introductory speech.
<b>Programme Context – Deputy Chairs' Section</b>	
<b>Item 5a:</b>	<b>Alec Robertson – Leader of Cornwall Council</b>
5.1	Referring to a presentation, Alec Robertson expressed his pleasure in representing Cornwall Council as Deputy Chair and sharing the role with the LEP Chair. Together they would provide support and challenge to the Programme, bringing a broad understanding of the diverse needs of the community. Cornwall Council was playing a stronger leadership role in the European Programmes. Capacity lost from GOSW and the RDA would be missed but the Council was ready for the challenge of delivering the Programme.
5.2	There had been considerable progress made in Objective One and the early part of Convergence but this was being undermined by difficult economic conditions. There was still much to do to deliver local economic infrastructure and business support but it was important not to be blown off course by the global economic climate. Success must come from aligning the three core funds and whilst good progress had been made, there was more to do and it was crucial to have right the right capacity, hence the Council's review of programme delivery capacity. Post-2013 represented an opportunity to step up a gear building on Objective One and Convergence but solutions must be locally designed.
<b>Item 5b:</b>	<b>Chris Pomfret – Chair of Cornwall &amp; Isles of Scilly Local Enterprise Partnership</b>

5.3	Chris Pomfret explained that he had taken the position of LEP chair because of pride in being associated with Cornwall but not in the county's economic performance; Cornwall had been growing faster than other parts of England so funding had been well spent but it was essential to take risks to achieve growth and transformational innovation; focusing only on monitoring would not change the economy so the LMC should challenge this emphasis.
5.4	The role of the LEP was to help Cornwall & the Isles of Scilly to identify real opportunities for growth with added value, and to bring focus by championing a few high level priorities. The deputy chairman suggested it was a particular strength of the private sector to bring people together. By January 2012, the LEP would have appointed consultants to help write their strategy which would be independent, evidence-based and consulted on and supported by industry. It was likely to highlight opportunities linked to green energy, creative industries building on investments in CUC and broadband and overcoming physical barriers to business, but needed to strike a balance with supporting traditional industries.
5.5	Three key barriers were identified; transport infrastructure, skills and employment and some attitudes of business. Transport was particularly important with the rail franchise being up for renewal soon and regional consortia being announced soon. Skills and employment were a critical long term issue and the approach needed to change; for example, if Enterprise Zone status at Newquay led to aerospace jobs, demand-led provision was needed to prepare for this. Business attitudes in Cornwall sometimes lacked ambition and businesses needed support to expand their horizons beyond Cornwall. It was also important to change external perceptions of Cornwall to appreciate that it was one of the most positive, forward looking places in which to live and work.
5.6	The chairman thanked the two deputy chairs for their robust presentations. He welcomed the fact that Convergence was the only LMC to have two deputy chairs which would strengthen it and help to align the Programme with local priorities. There would

5.7	<p>inevitably be creative tensions but this would lead to a more effective commissioning programme.</p> <p><b>Action: LMC agenda to allow time for deputy chair feedback including on LEP strategy.</b></p>
<b>Performance Reporting</b>	
<b>Item 6:</b>	<b>ESF Performance Report – DWP</b>
6.1	LMC noted CONV LMC Papers Oct 2011/04a, 04b and 04c and received a verbal summary. Overall programme expenditure stood at £85m, of which £65m was ESF. The 2011 and 2012 annual expenditure target (N+2) had been achieved meaning there was no risk of funds being returned to the EC this year or in 2012.
6.2	Engagement of participants had exceeded the whole programme target, with nearly 100,000 individuals taking part. Over 5000 participants were leaving the programme to take up employment - up 13% on the previous quarter and representing 90% of the target for the programme period. Participants had achieved over 15,000 qualifications to date, again nearly 90% of the Programme target—4,500 basic skills, 8,000 level 2; 3000 level 3 and 300 level 4.
6.3	Equality indicators had remained stable and were in line with the national programme average. The exception was female participation which was above the national average in both Priorities 4 and 5.
6.4	£2.2m of the whole Technical Assistance programme fund (£3.2m) had been committed to five projects. A budget of £1m remained to be invested for the programme.
6.5	SFA commented that the basic skills figures reported in the ESF Performance Report were lower than the SFA's own figures. There was a national issue with the reporting of Basic Skills and in fact the SFA were achieving ahead of plan in Convergence.
6.6	Jobcentre Plus commented that forthcoming Welfare Benefit

6.7	Changes would have an effect on Equality Targets.
6.8	<p>The Council of the Isles of Scilly asked for ESF activity on the Isles of Scilly to be reported in future if possible.</p> <p>Thanking the ESF Secretariat for this update, the Chairman also requested greater parity between future ESF and ERDF performance reports. <b>Action: ERDF and ESF Secretariats to see if ERDF performance report could be replicated by ESF.</b></p>
<b>Item 7:</b>	<b>ESF Co-Financing Organisation Report</b> CONV LMC Papers Oct 2011/05, 06a, 06b, 06c, 07
7.1	Representatives from each of the three co-financing organisations outlined their programmes and gave a progress update.
7.2	<p><b>DWP/Jobcentre Plus</b></p> <p>This element of the ESF Programme was concerned with supporting those most disengaged from the employment market into work or training by adding value to mainstream programmes and giving more scope in terms of delivery.</p> <p>Midway through the Programme, targets had been exceeded for participant starts and supporting people into work with training. All three JCP programmes had achieved their contracted targets.</p> <p>In the second half of the programme a new programme would target workless people in families with complex needs. DWP was tendering for this families provision and the provider would be known soon. Delivery would start in December 2011. The value of the contract in Convergence was over £13m.</p>
7.3	<p><b>National Offenders Management Service (NOMS)</b></p> <p>ESF was being used to access offenders who were hardest to reach, including young people in transition from child to adult services and armed forces ex-offenders. The current project would end in December 2011. Targets for the number of starts had been exceeded. The new provider for the second half of the programme</p>

7.4	<p>would be Tribal. NOMS aimed to complement SFA and JCP activity, taking the hardest to reach to the point where they could be transferred to mainstream provision. A high level of co-operation between Co-Financing Organisations was an important factor in the Programme's success.</p> <p><b>Skills Funding Agency.</b></p> <p>Priority 4 provided support for the unemployed and those Not in Employment, Education or Training. The priority was above plan on all key objectives and had supported nearly 10,000 people.</p> <p>Priority 5, the main programme, was a contract worth £39m of which £36m had been spent, well ahead of plan. ESF had supported 30,000 people, 11.5% of Cornwall's workforce.</p> <p>12,500 people had started basic skills courses funded by ESF. At Level 2, 10,000 participants had been engaged and at Levels 3 and 4 engagement was above target. 45% of Priority 5 was targeted at Level 3 training.</p> <p>Over 120,000 pieces of training had been delivered with ESF in the first half of the Programme. The most challenging target was supporting the over 50s.</p> <p>LMC members noted the need to capture and secure wider recognition for the successes of the ESF Programme, particularly Cornwall Works which was seen as a model. The Chair requested that the LMC induction include some examples of ESF participant success stories. LMC members were referred to the Cornwall Works and Partnership Office websites for case studies.</p>
<b>Item 8:</b>	<b>Feedback from National ESF Programme Committee – Convergence ESF Report</b>
8.1	<p>The Convergence representative on the National ESF Programme Committee, Mark Yeoman, circulated his notes from the meeting plus two ESF booklets 1) 'Improving People's lives' and 2) 'Working in partnership to promote employment opportunities for all'.</p>

8.2	<p>He informed the group that the new Head of ESF Division was Angus Gray who had replaced Wendy Violantano.</p> <p>The JCP/DWP families' provision would be built on the success of the working relationships between the prime provider, local JCP staff and Cornwall Council's Supporting Families service. A high level of political interest, together with Cornwall's Convergence status, is likely to mean ongoing national interest and scrutiny.</p>
<b>Item 9a:</b>	<b>ERDF Performance Report – DCLG</b>
9.1	<p>LMC noted the performance report (CONV LMC Paper Oct 2011/08). DCLG summarised key points, namely that N+2 (the Programme's spend target) for 2011 had been exceeded, with all additional expenditure counting towards the 2012 target. This put the Programme in a healthy position but it was important to continue to push delivery of contracted projects and to scrutinise the project pipeline. Of the Programme's four priority axes, Priority 1 was on track and Priority 3 fully contracted. The areas requiring closest monitoring were Priorities 2 and 4 where delivery of commissioned activity had to be accelerated if allocations were to be fully utilised. A detailed report would be brought to LMC for consideration in February 2012.</p>
9.2	<p>Annex B reported the performance of Financial Instruments in an agreed national format. A verbal update was given. At September, 36 loans had been made with a value of £2.05m. The South West Investment Group (SWIG) had reported take up was the lowest they had experienced in 20 years of working in Cornwall &amp; the Isles of Scilly. Potentially a decision would be needed to reallocate funding if it appeared that the loan funds would not achieve their targets. This was amongst the risks that would be highlighted in the reviewing Priorities 2 and 4 in February 2012. <b>Actions: next LMC agenda to include substantive debate on Priorities 2 and 4. DCLG FEI Manager to be asked to attend.</b></p>
9.3	<p>Cornwall Council reported that the Delivery Driver Group was looking in detail at issues behind the performance report,</p>





9.4	<p>particularly focusing on Priorities 2 and 4. The group was mapping key development milestones for pipeline projects to assess whether Convergence timelines could be met. This work would inform the LMC report in February 2012.</p> <p>DG Regio offered congratulations for what was on the whole a positive performance report, commenting on the improved presentation. In response to a query about why no risk register was included, DCLG stated that it had been agreed that risk reporting to LMC would be by exception. LMC nevertheless requested sight of the risk register as an annex. <b>Action: risk register to be annexed to next LMC performance report.</b></p>
<b>Item 9b: ERDF Quarterly Monitoring Report – DCLG</b>	
9.5	The DCLG Head of South West Compliance gave a verbal report on his team's work, which ranged from ensuring that the 30-day turnaround for paying grant claims was met to appraisal of projects to Project Engagement Visits and PAVS.
9.6	The monitoring team's role was both to help projects ensure that they comply with Regulations but also to enforce compliance, using sanctions where necessary. His job also involved engaging with the audit authority, a separate function within DCLG, to ensure that there was common understanding of audit requirements and the Programme's needs.
<b>Item 10: RDPE Performance Report (RDPE)</b>	
10.1	The Chairman of Cornwall Rural Implementation Group (CRIG) gave a verbal update. RDPE in Cornwall & the Isles of Scilly comprised £55m ringfenced from the national programme. There was a risk that, unless the Programme could demonstrate over the next 4-6 months that it was on track towards delivering this spend, funding might be moved to environmental schemes. There remained £22m to invest by December 2013. Taking into account projects seeking additional funding, those under development and estimated fallout, realistic headroom was likely to be c. £13m.

	CRIG had formed a Delivery Driver Group and had undertaken a rapid review of possible projects for future delivery. They had sought confirmation that contracted delivery agencies could deliver by established deadlines. A report had been sent to DEFRA requesting some flexibility to widen scope and resource as there was no Technical Assistance in the Programme. A report would be made to LMC once DEFRA's response was received.
<b>Programme Business</b>	
<b>Item 11a:</b>	<b>Proposals for Joint LMC Sub-Group Structure</b>
11.1	LMC noted two papers – CONV LMC Paper Oct 2011/10 and addendum. DCLG verbally summarised the proposals, which sought to reflect the Programme's unique commissioning approach and its strong focus on partnership, and which had been prepared with input from partners via a PMC workshop. It was proposed that the ESF Steering Group become a sub-group reporting to LMC and a joint ESF/ERDF Convergence Management Group be established to carry out strategic activities determined by the LMC and undertake peer appraisal of investment proposals and commissioning. Partners had proposed that the CMG be independently chaired by the DCLG local lead. The roles of the deputy chairs would be to align the work of the CMG with the LMC, the LEP and Cornwall Council through close liaison with CMG members. The groups would be strengthened where necessary by specialist technical input for specific items.
11.2	LMC members raised concerns about accountability for equalities and environment in the new structure; in particular for how pathways to the wider equalities and diversity network would operate without a reference group. Concern was also expressed the former evaluation sub-group was being disbanded when there was a clear need for evaluation.
11.3	DCLG responded that evaluation was within the Terms of Reference of the new CMG. Environmental and Equalities

11.4	<p>representatives would sit on both LMC and the CMG to provide challenge and links to wider networks. For the environmental theme, this would be provided by the Environment Agency on behalf of Environment Kernow. The Secretariat would discuss the concerns about equalities further with the VSF.</p> <p>The private sector would be represented on CMG both by the LEP chair and a representative nominated by the LEP.</p> <p>One further sub-group focused on post-2013 was proposed in the addendum. This would focus on strategic direction and preparation for the next programme but must not divert LMC from its core role relating to the current programme. The sub-group would be a working group looking at detail and would report to LMC which would be the vehicle for dissemination of information.</p> <p>The sub-group structure was agreed subject to comments noted.</p>
<b>Item 11b:</b>	<b>Terms of Reference for Convergence Management Group</b>
11.5	<p>LMC agreed the Terms of Reference for the Convergence Management Group set out in CONV LMC Paper Oct 2011/11. It was agreed that existing sub-group arrangements should remain in place until the first meeting of the Convergence Management Group took place.</p>
<b>Item 12:</b>	<b>Any Other Business</b>
12.1	<p>The future of Programme communications when the current Partnership Office TA project ended in March 2012 was discussed. Cornwall Council, the accountable body for the Partnership Office, would bring forward a revised TA proposal for a team in the Council to deliver this function, possibly incorporating TA-funded resource in CUC. Concerns were raised over the future of ESF Convergence communications in the absence of a Partnership Office - this would need to be pursued separately to ensure there continued to be a coherent and consistent voice for the remainder of the programme. LMC requested an update at its next meeting.</p>

12.2	<p><b>Action: next LMC agenda to include update on communications and capacity review.</b></p> <p>ESF Steering Group – <b>Action: Amend ESF Steering Group Terms of Reference to include Isles of Scilly membership.</b></p> <p>The Isles of Scilly Council requested an update on Next Generation Broadband rollout to the islands. <b>Action: DCLG to seek an update on NGB rollout on behalf of the Isles of Scilly Council.</b></p>
<b>Dates of Future Meetings</b>	
	<ul style="list-style-type: none"> <li>• 25 January 2012 – Induction session</li> <li>• 23 February 2012</li> <li>• 24 May 2012</li> <li>• 20 September 2012</li> </ul>