

WEST MIDLANDS ERDF LOCAL MANAGEMENT SUB-COMMITTEE 2007-13**Wednesday 11 January 2012****Item 6: Technical Assistance Strategy and Funding Application****Objective(s)**

- i As agreed at the LMC meeting September 2011, to implement a revised version of the European Regional Development Fund (ERDF) Technical Assistance (TA) Strategy, which reflects the changes required following the transfer of the Programme to CLG.
- ii To notify and agree to a further application for TA funds for the purposes of programme management from July 1st 2011, as outlined in the revised strategy document.
- iii To note and agree the latest version of the Priority 5 (TA) Investment Framework

Recommendation(s)

- i Endorse version 3 of the TA Strategy, subject to agreed amendment. (Appendix 1)
- ii Agree to the submission of a further application for TA funds to co-finance the costs in respect of delivering and managing the ERDF Programme in the West Midlands from July 1st 2011 to the end of the Programme period.
- iii Note the Investment Framework as set out in Appendix 2.

1. Background**TA Strategy**

- 1.1 A budget allocation of €12m (£10.3m) for Technical Assistance (TA) is provided under Priority Axis 5 of the Programme. The budget is managed in accordance with an agreed strategy and delivered through an Investment Framework.
- 1.2 TA funding is provided to finance the preparatory, management, monitoring, evaluation, and information and control activities of the programme, together with activities to reinforce the administrative capacity for implementing the Funds.
- 1.3 All activities part financed by TA must be within the scope of the Operational Programme document and in accordance with one or more of the following portfolios of activity -
 - Programme Management;
 - Programme Development and Capacity Building;
 - Research, Analysis, Monitoring and Evaluation; and
 - Information and Publicity.

- 1.4 Articles 63-65 of Council Regulation (EC) No. 1082/2006, and as per the guidance issued by the Managing Authority (MA), the strategy for TA and any revisions must be approved by the LMC.
- 1.5 The governing documentation which defines the eligible use of TA are -
 - European Commission Regulation (EC) No. 1083/2006;
 - Communities & Local Government (CLG) ERDF User Manual (Chapter 12); and
 - West Midlands ERDF Operational Programme Document 2007-13.
- 1.6 Version 2 of the TA Strategy was approved by the PMC in June 2010, under which all of the TA allocation had been earmarked for specific purposes. The transfer of the Programme to DCLG management and the closure of organisations such as AWM and the Regional Observatory have significantly changed this situation.
- 1.7 Version 3 brings the Strategy up to date to reflect these changes and the proposed use of TA funding to the end of the Programme.

Application for TA Funds

- 1.7 Co-financing costs for managing and delivering the Programme for the period up to June 30th 2011 was covered by 2 applications submitted by AWM. These applications covered
 - the salary costs for personnel working in the programme management team and those involved in appraising, delivering and monitoring the delivery of ERDF projects; and
 - other administrative costs incurred, including those associated with evaluation and audit.
- 1.8 For the remaining period of the Programme from July 1st 2011, taking into account existing commitments and other administrative duties to be undertaken c. £4m of ERDF funds will be required. This will cover the following – salaries and expenses for the Programme Delivery Team; general administrative costs for running the Programme; research and evaluation costs; and publicity and communications. This expenditure will be match funded by DCLG or from interest earned from pre-financing funds received from the Commission.
- 1.9 To secure this funding and the CLG co-financing, it will be necessary for the PDT to submit an application.

2. Priority 5 Status

Investment Framework

- 2.1 The current estimated allocation of ERDF funds for use as TA is £10.3m. Of this £3m has been formally committed and spent by the end of December 2011. (Appendix 2)
- 2.2 The current figures show that £7.3m remains to be formally allocated. It is estimated that £4.4m will be required for programme management, delivery and evaluation costs, which leaves approximately up to £2.9m for other activity including programme development and capacity building.

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