



European Regional
Development Fund
Investing in Your Future

YORKSHIRE & HUMBER COMPETITIVENESS PROGRAMME 2007-13

MEETING OF THE LOCAL MANAGEMENT COMMITTEE:

THE RON COOKE HUB: 20 SEPTEMBER 2011

Attendees	Role	Sector/Organisation
Felicity Everiss	Chair	DCLG
Colin Mellors	Y&H PMB Chair	PVC York University
John Mothersole	Deputy Chair/ SY PMB Chair	CEX- Sheffield Council
Gary Lumby	A2F Chair	Private Sector- Banking
Melissa Lockwood	Y&H PMB Member	Environment Agency Deputy for David Dangerfield
Trevor Shaw	Member	Yorkshire Forward
David Curtis	Member	HCA
Richard Wright	Member	SCR LEP
Liz Bavidge	Member	Equalities & Diversity
Isobel Mills	Member	BIS Local
Linda Sproge	Member	EC
Mike Smith	Member	Yorkshire Universities
James Farrar	Member	York & North Yorkshire LEP
Paul Stephens	Member	Leeds City Council
Chris Longley	Member	Federation of Small Business
Judy Robinson	Member	Involve Yorkshire
Ian Rowse	Member	Yorkshire Universities
Simeon Leach	Member	SCR LEP- Deputy for Cllr Roger Stone
Lesley Calder	Head of PDT	DCLG
Peggy Haywood	ERDF Implementation Manager	DCLG
Craig Wallace	ERDF Implementation Manager	DCLG
Richard Holmes	ERDF Communication Manager	DCLG
Portia Forbes-Rawlins	ERDF Governance Officer	DCLG
Charlie Spencer	Item 6	C Spencer Ltd
Paul Gratton	Item 6	C Spencer Ltd
Andrew Conn	Item 6	C Spencer Ltd
Paul Moreland	Item 6	C Spencer Ltd

Apologies		
Simon Driver	Member	Hull & Humber LEP
Lee Pepper	Member	DCLG- Y&H ERDF PDT
John Illingworth	Member	Goodwin Trust
David Dangerfield	Member	Environment Agency
Richard Kendall	Member	Hull & Humber LEP
Cllr Roger Stone	Member	SCR LEP

WELCOME, INTRODUCTIONS AND APOLOGIES

The Chair welcomed members to the first meeting of the Local Management Committee (LMC)

A new members list was circulated for information. LMC noted some nominations were still to be agreed - membership would be amended once finalised.

Patrick White has been appointed as the new chair of the LMC. Felicity Everiss will meet Patrick to discuss the role.

Declarations of Interest:

Chris Longley - Finance Yorkshire

Melissa Lockwood - Energy Works major project

Trevor Shaw - Digital Region

AGENDA ITEM 1 - MINUTES FROM PREVIOUS MEETING AND MATTERS ARISING

Minutes of the previous meeting were formally approved by the LMC.

The ERDF Secretariat reported progress against the five action points identified within the minutes. LMC noted that all action points are either complete or underway.

Actions Arising

Item 1: The resourcing plan is a work in progress. Further information will be presented at a future LMC meeting.

AGENDA ITEM 2 – GUIDANCE/STRATEGY SIGN OFF

Revised Evaluation, Communication and Technical Assistance (TA) strategies presented to members for formal approval. Members informed that there are no major changes to the strategies - amendments reflect the transfer of managing authority responsibilities from Yorkshire Forward to DCLG and updates on the current position.

LMC discussed the strategies. Key points noted:

- Technical Assistance (TA) budget had not been confirmed yet - expected to be confirmed in early 2012;
- Partners are still able to draw down TA if they are able to identify eligible match funding in line with the TA strategy;
- More local influence and development was needed for project development and therefore Local Economic Partnerships (LEP) engaging with TA is important;
- Relevance of the strategies was questioned given the changing economic situation. Secretariat advised that the changes in the strategy were for technical reasons following transfer. Potential further changes will follow agreement on a national TA framework and will come back to LMC for review.

- The Communications strategy reflected the marketing freeze. A new plan would be circulated and presented at a future LMC meeting.

The LMC approved all strategies

AGENDA ITEM 3 – BUSINESS PROCESS

Revised business process presented to the LMC reflecting changes at national and local levels. National harmonisation work still in progress but revised process is in line with expectations of what this will involve. Revised process includes additional responsibilities of partners in project selection satisfying the requirement for greater involvement of localities.

Currently no guaranteed timeframe for the process as resource situation and N+2 focus makes estimating capability difficult. New process has fewer stages and less need for input from outside of the Programme Delivery Team, therefore expectation that process can be quicker than pre-transfer if resources available.

The LMC discussed the changes and implications. Key points noted:

- Changes to the process would be implemented with effect from 1st July 2011.
- No longer any website publication due to technical constraints. The Programme Delivery Team are investigating alternative ways to gain partner feedback.
- Lesley Calder as Head of the Programme Delivery Team is able to approve projects up to £5 million ERDF.
- Retrospective funding is allowable but subject to tight audit rules
- A number of outstanding resource issues in relation to the process remain. Philip Cox (Director Local Economies, Regeneration & European Programmes, DCLG) is aware and investigating short term solutions. Work is in progress looking at a national structure to support the process in the longer term.
- Partners will be required to play an increasing role in project development. LEPs should play a key role.

The LMC approved the new business process

AGENDA ITEM 4 – PROGRAMME PERFORMANCE & RISK

Paper presented to the LMC. The need to significantly increase the pace of approvals and improve the pipeline of projects was highlighted. This will require better alignment of ERDF and LEP investment priorities and increased Programme ownership and project development responsibility from partners.

LMC presented with a best and worse case scenario with regard to the N+2 target for 2011. The scenarios did not include the high risk projects JESSICA and Energy Works. The Programme Delivery Team were focusing efforts on achieving the best case scenario through weekly contact with all contracted projects and through investigating opportunities to increase spend wherever possible. A top down message from CEO's and Finance Directors is needed to focus projects on delivering to profiles.

LC went through the performance annexes she asked members to note the annexes, the risk register was noted as it was relevant to the programme governance, to discover what could create concern in future. In future the register would be re-done to include governance for 2012.

LMC members discussed programme performance. Key points noted

- The profile of ERDF in the LEPs should be raised and more engaged with the ERDF Programme and better informed about the challenges the Programme faced;
- BIS and CLG are discussing ERDF opportunities using national funding sources;
- BIS Local offered support to assist LEPs with ERDF engagement.
- The HCA may be able to help with LEP involvement as there is potential for LEP funding with the HCA;
- It was noted that more LEP involvement was needed and there was a potential for further higher education funding.
- There was a need to raise the profile of ERDF with LEPs. New reps would be able to flag up ERDF to LEP secretariats.
- A pipeline cleanse would occur in the new year. This may release funding for project opportunities in priorities 3 and 4.

AGENDA ITEM 5 – JESSICA REPORT

JESSICA has been approved to proceed to full application by both Performance Management Boards with a number of conditions. Finance Yorkshire has submitted the Full Application. It is currently undergoing appraisal by the Programme Delivery Team.

5 local councils have confirmed sites and cash for the JESSICA. Weekly meetings are scheduled to discuss changes.

HCA has not agreed which assets will be put into the JESSICA. An internal approval process needs to be completed before confirmation. More clarity is required on this process. The HCA investment panel is meeting in November.

PH requested that the Access to Finance subcommittee are delegated the authority to approve JESSICA if required.

LMC discussed the JESSICA report. Key points noted:

- Access to Finance sub-committee need to be aware of the HCA? approval process as well as any delegates who may attend the A2F S/c meeting.
- LMC members were welcome to attend the A2F S/c meeting which would discuss the JESSICA approval if they wished.
- Any LMC members who had objections to the JESSICA should contact the Deputy Chairs of the LMC.

The LMC JESSICA could be approved by written procedures if necessary.

The LMC were formally content to approve in principal the project with due process and recommendations from the appraisers.

AGENDA ITEM 6 - MAJOR PROJECT PRESENTATION: ENERGY WORKS

C. Spencer, P. Gratton, P. Moreland and A. Conn presented the proposed major project, Energy Works. The presentation was for information ahead of formal approval of the major project application by the LMC before it is submitted to the EC.

The LMC will need to formally approve the major project application prior to submission to the Commission. Recommended that receive the approval from the European Commission (EC) before they went on holiday in December. LS clarified that the money must be committed but not spent in order to contribute to

the N+2, the project must be uploaded to the EC and they must respond within 10 working days, the Christmas holiday would delay this response.

The LMC were informed

- There would be further work on the project by the Secretariat
- C Spencer would complete a cost benefit analysis as part of the full application submission
- The full application would be presented to the Y&H PMB in November or earlier if possible
- The major project application would return to the LMC in December if ready for approval prior to submission to the Commission
- The application would need CLG approval as it was between £10-£20 million
- To count towards the N+2 target the major project must be submitted to the Commission and subsequently deemed admissible before the end of the year. Recommended that submission is mindful of Christmas holiday period.
- If there were any fundamental objections please contact Craig Wallace.

LMC raised issues around the land, permits, access, planning and timescale for the project.

The LMC noted the presentation

AGENDA ITEM 7 – Y&H AND SY PMB UPDATES

John Mothersole provided SY PMB update. The SY PMB considered the revised PMB Terms of Reference, updated strategies and selected a large number of projects into programme.

CM provided the Y&H PMB update. The Y&H PMB had met twice since the previous PMC meeting. The PMB welcomed Lesley to the programme and considered performance against the N+2 2011 target, the potential for project decommitment and cleansing the project pipeline. The PMB agreed to contact projects where intervention was required to maximise expenditure for N+2.

The LMC noted the reports

AGENDA ITEM 8 – NEW PMB TERMS OF REFERENCE

The Programme Delivery Team presented the revised Terms of Reference for the PMBs. The amendments reflected the transfer of the programme from Yorkshire Forward to DCLG and made a number of additions to give greater clarity on the functioning of the Boards..

The LMC approved the new Terms of Reference

Linda Spruge noted that in the LMC TOR, that only *certain* tasks could be delegated to LMC sub-committee's and not *all*.

AGENDA ITEM 9 – ACCESS TO FINANCE SUB-COMMITTEE

Gary Lumby provided an update. There are concerns over the performance of the different funds. The Seedcorn and Business Loan funds were slightly behind target but it was thought they would reach their target. The Equity fund has only offered 3 deals out of 250 applications, therefore the appetite for risk required investigation. The fund manager will be changed. The disruption this would cause remained a concern.

The LMC would discuss this further at the next LMC meeting. It was noted that the Chief Executive of Finance Yorkshire may need to attend the meeting.

There was no update on the CDFI project as it had only recently started. An update would be given at the next meeting.

The LMC noted the report

AGENDA ITEM 10 – FINANCE YORKSHIRE EXTENSION REQUEST

This was a request from Finance Yorkshire to extend their project from December 2013 to December 2014, this was due to the delayed start of the project.

There were a number of outstanding issues which needed to be addressed, there were no material changes to the value of the project but an increase in the legacy.

LMC were asked to delegate the responsibility of making the decision to the A2F S/c.

The LMC agreed to the request.

AGENDA ITEM 11 – MID TERM EVALUATION REPORT/ STAKEHOLDER EVENT

An event was held on 9 September, approximately 50 people attended to discuss the evaluation of the programme and potential changes to the programme as a result of the evaluation. The workshops discussed Priorities 1 and 2, it was hoped to create action planning groups from the workshops. Emily Wolton from Yorkshire Universities would take the lead for Priority 1, the Secretariat were still looking for a lead for Priority 2.

It was noted members from WY local authorities attended the event and were pleased about the results from the evaluation, they were satisfied by the new streamlined process but match was still an issue.

The LMC noted the report.

AGENDA ITEM 12- AOB

LMC members thanked the Chair for her hard work on the ERDF programme

Minutes end