

**East Midlands 2007-13 ERDF Programme – Future governance**

**Purpose of the Paper**

This paper provides an update on the proposed future governance arrangements for the East Midlands 2007-13 ERDF Competitiveness Programme including the establishment and membership of the Local Management Committee (LMC), Local Management Investment Sub Group and the Terms of Reference for the LMC and LMC Investment Sub Group.

**Recommendations**

Members of the PMC are invited to:

- Discuss and agree the LMC/Investment Sub Group membership, roles and responsibilities; and
- Discuss and agree the Terms of reference for the LMC/Investment Sub Group membership

**1. Future governance**

**1.1 Background**

A series of changes introduced by the Government will have an impact on the way in which the East Midlands ERDF programme is both governed and delivered. From 1 July 2011, responsibility for delivering the ERDF Programme in the East Midlands was transferred from the East Midlands Development Agency (*emda*) to the Department for Communities and Local Government (DCLG).

The Government is committed to a programme of localism, shifting power away from the centre and enabling local partners to drive change in tune with their own priorities. DCLG has confirmed therefore that, following consultation with Programme partners, the Programme Monitoring Committee (PMC) which has previously overseen the ERDF Programme in each region, will be replaced by new Local Management Committees (LMCs).

The 16 June 2011 PMC meeting was the last formal meeting of the 2007-13 ERDF Programme Monitoring Committee. This meeting is the first meeting of the Local Management Committee chaired by Mark Carroll, Director of Decentralisation and the Big Society at DCLG.

**1.2 Responsibilities of the LMC**

In developing LMCs, the European Commission's (EC) partnership requirements (Article 11 Council Regulation (EC) 1083/2006 – *Annex C*) will be honoured, as will the requirement on Member States to establish partnership committees (Article 63 – *Annex C*).

The LMC will be responsible for the strategic leadership of the 2007-13 East Midlands ERDF Competitiveness Programme. As set out in Article 65, the responsibilities of the LMC will include:

- Consideration and approval of project selection criteria;
- Reviewing progress towards the achievement of programme targets and Priority Axes objectives through receiving and considering performance implementation data;
- Receiving and considering consistent, up-to-date management information for the programme, as required by the Managing Authority;
- Consideration and approval of Annual and Final Reports;
- Consideration and approval of programme evaluations and resulting Operational Programme amendments; and
- Strategic linkages with other Structural Funds, domestic programmes and wider UK economic policy.

**The LMC will:**

- a) Draw up and agree its own rules of procedure, which will be publicised and made available on the programme website. This will include procedures to avoid conflicts of interest;
- b) Develop, monitor and oversee the strategy for the East Midlands 2007-13 ERDF Operational Programme, reviewing the quality and effectiveness of its implementation;
- c) Periodically review progress made toward achieving the specific objectives of the programme;
- d) Ensure that financial and non-financial targets are met and redirect the work of the programme as and when required over its lifetime. Examine the results of implementation, particularly the achievement of the targets set for the programme priority axes and the evaluations referred to in Article 48 (3) of the Regulation 1083/2006;
- e) Ensure that local priorities are actively considered and reflected in decision-making processes;
- f) Consider and approve any proposals to amend the contents of the approved OP. Such changes will be in accordance with Article 33 of Regulation 1083/2006 for example to take account of significant socio-economic changes, major changes in priorities to address implementing difficulties and /or in the light of evaluation;
- g) Propose to the Managing Authority any revision or examination of the operational programme likely to make possible the attainment of the Fund's objectives referred to in Article 3 of Regulation 1083 / 2006 or to improve its management, including its financial management;
- h) Receive regular updates regarding risk management of the OP implementation including risk register, advising the ERDF Secretariat on appropriate risk management and mitigation strategies and action;

- i) Consider and approve criteria for selecting ERDF projects/operations Operational Programme and approve any revision of those criteria according to programme need;
- j) Consider and approve the annual and final implementation reports referred to in Article 67 of Regulation 1083/2006;
- k) Be informed of the annual control report, or of the part of the report referring to the Operational Programme, and of any relevant comments the Commission may make after examining that report or relating to that part of the report;
- l) Establish such sub-committees, working groups or task and finish groups as appropriate to enable the LMC to fulfil its responsibilities and to support the efficient implementation of the OP;
- m) Consider and agree a Communication Plan for the Programme;
- n) Consider and agree a strategy for Technical Assistance;
- o) Consider and Agree an Evaluation Plan for the programme, to cover evaluation activities to be carried out during the programme period;
- p) Monitor impact of Programme activity in terms of cross-cutting themes of equality and environmental sustainability;
- q) Endorse major projects before submission to the European Commission (defined as comprising a series of works, activities or services intended to accomplish an indivisible task of a precise economic or technical nature, having clearly identified goals and whose total costs exceed 50 million Euros); and
- r) Consider and develop strategic linkages with other Structural Funds, domestic programmes and wider UK economic policy.

## **2. LMC Deputy Chair**

For the first time, a post of Deputy Chair is to be established for ERDF programme committees in England (excluding London). The new role of LMC Deputy Chair will enable real local engagement at a senior level in the organisation and direction of the LMC. The process for identifying candidates for the role in the East Midlands was described in Mark Carroll's letter to PMC Members of 19 April.

A second letter was sent on 2 June 2011 inviting nominations or expressions of interest in the role of Deputy Chair by 24 June.

Subsequent to this nominations for the role of Deputy Chair were received and a selection process undertaken. The appointment of Rachel Quinn as the LMC Deputy Chair was announced at the ERDF Annual Information event at Loughborough on the 14<sup>th</sup> October 2011.

### 3. LMC Membership

The membership of monitoring committees (as set out in Article 64 – *Annex C*) ensures a representative spread of interests from across the public, private, voluntary & community and local authority sectors. In addition, monitoring committees include seats for the Department for Communities and Local Government (DCLG as Managing Authority), the Department for Business, Innovation and Skills (BIS), and the European Commission (EC advisory role).

DCLG envisages that members of existing PMCs will generally transfer across to LMCs. As current ERDF PMCs evolve into LMCs, the following key guiding principles will continue to define their operation and membership:

- **Local determination** – Local partners should agree arrangements that best meet local needs;
- **Strategic** – Representatives on LMCs should be senior-level decision-makers, bring a wide-ranging perspective, be respected by and consult with the constituents they represent;
- **Representative and compliant** - LMC membership needs to respect EC regulatory requirements regarding the interests that they are expected to represent on PMCs. Equally, LMCs need to reflect the new arrangements that apply in England, specifically in relation to LEPs; and
- **Efficient and effective** – LMCs need to be constituted at a level that promotes efficient and effective working.

The LMC will be representative of:

- Competent regional, local, urban and other public authorities;
- Economic and social partners;
- Any other appropriate body representing civil society, environmental partners, non-governmental organisations, and bodies responsible for promoting equality of opportunity between women and men.

LMC members will represent the sector for which they act as delegates rather than their individual organisations. Members will be required to ensure that appropriate consultation takes place within the sector they represent in advance of and following LMC meetings to ensure that all appropriate partners have the opportunity to contribute to and are informed of the work of the LMC and progress of the programme.

In line with key principles identified by Partners the LMC membership numbers will be determined on the basis of achieving:

- Streamlined decision making / delivery
- Greater efficiency / reduced bureaucracy
- Strategically focussed LMC.

Sector	Role	Organisation
Managing Authority	Chair	DCLG
Local Representation	Deputy Chair	Local organisation (as appropriate)
EU Commission	Advisory	DG Regio (Desk Officer)
Local Authorities	Member	Regional nominations 2-3
Local Enterprise Partnerships	Member	See 3.1 below 3-5
Private Sector	Member	Regional nomination
TUC	Member	Regional nomination
Higher Education	Member	Regional nomination
Further Education	Member	Regional nomination
Voluntary	Member	Regional nomination
Social Enterprise	Member	Regional nomination
Environment /sustainability	Member	Environment Agency
Equality & Diversity Champion	Member	Appropriate organisation
BIS	Member	BIS local representative given focus of OP on innovation, enterprise and business growth. Facilitating alignment with RGF and TSB activity
ERDF Head of Local Delivery Unit – Managing Authority	Member	Ensuring local DCLG representation

The membership was agreed at the PMC on the 16<sup>th</sup> June and subsequent to this nominations have been received for all the sectors with the exception of the Local Enterprise Partnerships. The secretariat have approached the LEPs and asked them to nominate up to 5 representatives in advance of the next meeting in early 2012.

The details of the LMC nominated members are in the Annex A<sup>1</sup> covering the Terms of Reference for the LMC. The constitution of the LMC should continue to address the priorities and themes of the East Midlands 2007-13 Operational Programme.

### 3.1 Local Economic Partnership (LEP) representation on LMCs

The LMC will need to determine appropriate representation from LEPs within the ERDF Programme Area. In deciding final arrangements, the following should be considered:

- Given several LEPs exist within the East Midlands ERDF Programme Area, it may be appropriate for the LEPs to collaborate as a group/network on the basis of shared interests, in order that one or more representatives might take an LMC seat on behalf of such a grouping.
- Where a LEP straddles two or more areas within the East Midlands ERDF Programme, consideration should be given to how they are represented.

<sup>1</sup> We have been advised that the Northamptonshire LEP and the South East Midlands LEP are willing to share representation on the LMC.

The LEPs established which include areas in the East Midlands are as follows:

- Leicester & Leicestershire;
- Lincolnshire;
- Nottingham, Nottinghamshire, Derby & Derbyshire;
- Sheffield City Region (includes some districts in North Nottinghamshire);
- Northamptonshire;
- South East Midlands (which includes districts in Northamptonshire); and
- Gt. Cambridge & Gt. Peterborough (includes Rutland).

***Members are invited to note LMC membership structure. LEP attendees are asked to co-ordinate LEP representation.***

#### **4. LMC Sub-group**

The LMC may at any time set up such sub-committees and/or standing or *ad hoc* working groups or other groups as it thinks appropriate. It is expected that all ERDF Programmes will either have or (following the establishment of LMCs) set up an Investment Sub-Group. Such groups will be responsible for the detailed consideration of project applications and will be chaired by the LMC Deputy Chair.

The LMC may delegate any of its tasks to a sub-committee and/or group. The Membership of such sub-committees and or groups shall be agreed by the LMC, reflecting the partnership principle set out in Article 11. The terms of reference and rules of sub-committees and groups shall be approved by the LMC.

The establishing of an Investment Sub Group will be one of the first tasks of the new LMC.

##### **4.1 LMC Investment Sub Group**

Whilst the LMC will provide strategic leadership and management for the programme the detailed approval of projects will be undertaken by the LMC Investment Sub Group. This Sub Group will be a key part of the LMC undertaking responsibilities nominated by the LMC in particular around tasks and responsibilities laid down in Article 65 of 1083/2006;

*Consideration and approval of project selection criteria*

and 1.3 (i) of the LMC TOR;

*Consider and approve criteria for selecting ERDF projects/operations and approve any revision of those criteria according to programme need.*

The Sub Group will be chaired by the LMC Deputy Chair (Rachel Quinn) with the Head of ERDF Programme Delivery Team (PDT) (Andrew Morgan) acting as the Deputy Chair. This will provide an important link between the work of the LMC and the Sub Group.

The Sub Group will be expected to:

- Review the development of specifications and calls for activity

- Monitor recommendations from the PDT in respect of assessment of outline applications
- Endorse (or not) recommendations made in respect of full applications following completion of the formal appraisal process by the PDT

Recommendations made by the Investment Sub Group will then be considered by the East Midlands PDT who as the Managing Authority, will process final decisions on the award of grant and the issue of Offer Letters in line with the East Midlands Operational programme and EC regulations.

#### 4.2 LMC Investment Sub Group Membership

Role	Sector	Organisation
Chair	LMC Deputy Chair	(Voluntary sector)
Deputy Chair	Head of ERDF PDT	Local organisation (as appropriate)
Member	Local Authorities (officers)	Regional nominations 2-3
Member	Local Enterprise Partnerships	2 -3
Member	Private Sector	Regional nomination
Member	HE	Regional nomination
Member	Environment /sustainability	Environment Agency
Member	Equality & Diversity Champion	Appropriate organisation
Member	ERDF PDT Secretariat	PDT
		11 -13

The above is a suggested membership for the Investment Sub Group. It is likely that this group will meet more often than the LMC and as such the members will need to be able to devote the appropriate time to the work of the group. It is envisaged that in the main the membership will be at delivery officer level with those involved having a knowledge of what is happening on the ground.

Nominations for membership of the Sub Group will made by the appointed LMC members with the final decision on the group membership resting with the LMC Deputy Chair as Chair of the Investment Sub group.

***Members are invited to discuss and agree the LMC Investment Sub Group proposals including the proposed membership and Terms of Reference (Annex B).***

#### 5. Forward meeting schedule

This meeting is the first full meeting of the Local Management Committee. It is proposed that a subsequent meeting takes place in late January.

The key business of the next LMC meeting will be to:

- Receive a Programme update (with a focus on error rates).
- Consider potential programme modifications (PA2 district list and Broadband)
- 2010 Interim Programme Assessment recommendations

#### 6. Recommendations

Members of the PMC are invited to:

- Discuss and agree the LMC/Investment Sub Group membership, roles and responsibilities; and
- Discuss and agree the LMC and Investment Sub Group Terms of Reference.





**Annex A**

**EAST MIDLANDS ERDF COMPETITIVENESS PROGRAMME (2007-2013)**

**LOCAL MANAGEMENT COMMITTEE (LMC)**

**TERMS OF REFERENCE, MEMBERSHIP AND WORKING ARRANGEMENTS**

**1. Role of the Local Management Committee**

- 1.1 The LMC is established in accordance with Article 63 of Council Regulation (EC) No. 1083/2006. It will discharge the tasks and responsibilities laid down in Article 65 including:
- Consideration and approval of project selection criteria
  - Reviewing progress towards the achievement of programme targets and Priority Axes objectives through receiving and considering performance implementation data
  - Receiving and considering consistent, up-to-date management information for the programme, as required by the Managing Authority
  - Consideration and approval of Annual and Final Reports
  - Consideration and approval of programme evaluations and resulting Operational Programme amendments
  - Strategic linkages with other Structural Funds, domestic programmes and wider UK economic policy
- 1.2 The LMC is responsible for the strategic leadership of the 2007-13 East Midlands ERDF Competitiveness Programme.
- 1.3 The LMC will:
- a) Draw up and agree its own rules of procedure, which will be publicised and made available on the programme website. This will include procedures to avoid conflicts of interest;
  - b) Develop, monitor and oversee the strategy for the East Midlands 2007-13 ERDF Operational Programme, reviewing the quality and effectiveness of its implementation;
  - c) Periodically review progress made toward achieving the specific objectives of the programme;
  - d) Ensure that financial and non-financial targets are met and redirect the work of the programme as and when required over its lifetime. Examine the results of implementation, particularly the achievement of the targets set for the programme priority axes and the evaluations referred to in Article 48 (3) of the Regulation 1083/2006;

- e) Ensure that local priorities are actively considered and reflected in decision-making processes;
- f) Consider and approve any proposals to amend the contents of the approved OP. Such changes will be in accordance with Article 33 of Regulation 1083/2006 for example to take account of significant socio-economic changes, major changes in priorities to address implementing difficulties and /or in the light of evaluation;
- g) Propose to the Managing Authority any revision or examination of the operational programme likely to make possible the attainment of the Fund's objectives referred to in Article 3 of Regulation 1083 / 2006 or to improve its management, including its financial management;
- h) Receive regular updates regarding risk management of the OP implementation including risk register, advising the ERDF PDT on appropriate risk management and mitigation strategies and action;
- i) Consider and approve criteria for selecting ERDF projects/operations and approve any revision of those criteria according to programme need;
- j) Consider and approve the annual and final implementation reports referred to in Article 67 of Regulation 1083/2006;
- k) Be informed of the annual control report, or of the part of the report referring to the Operational Programme, and of any relevant comments the Commission may make after examining that report or relating to that part of the report;
- l) Establish such sub-committees, working groups or task and finish groups as appropriate to enable the LMC to fulfil its responsibilities and to support the efficient implementation of the OP;
- m) Consider and agree a Communication Plan for the Programme;
- n) Consider and agree a strategy for Technical Assistance;
- o) Consider and Agree an Evaluation Plan for the programme, to cover evaluation activities to be carried out during the programme period;
- p) Monitor impact of Programme activity in terms of cross-cutting themes of equality and environmental sustainability;
- q) Endorse major projects before submission to the European Commission (defined as comprising a series of works, activities or services intended to accomplish an indivisible task of a precise economic or technical nature, having clearly identified goals and whose total costs exceed 50 million Euros);
- r) Consider and develop strategic linkages with other Structural Funds, domestic programmes and wider UK economic policy.

## 2. Membership

2.1 The membership of the East Midlands 2007-13 ERDF LMC will be drawn up in accordance with the partnership principle established by Article 11 of EC Regulation 1083/2006 and advice from CLG as the Managing Authority. The LMC will be:

- **Efficient and effective** – constituted at a level and size that promotes efficient and effective working. Members may be mandated to represent a wider spread of interests.
- **Locally determined** – membership appropriately reflecting the required spatial, thematic and sectoral balance of the East Midlands Operational Programme.
- **Strategic** – representatives will be senior-level decision-makers with a wide-ranging perspective, will be respected by and consult with the constituents they represent.
- **Representative and compliant** – the LMC will comply with EC regulation regarding membership (Article 11 refers).

2.2 The LMC will be representative of:

- Competent regional, local, urban and other public authorities;
- Economic and social partners;
- Any other appropriate body representing civil society, environmental partners, non-governmental organisations, and bodies responsible for promoting equality of opportunity between women and men.
- Any other specific locally defined need.

2.3 LMC members will represent the sector for which they act as delegates rather than their individual organisations. Members will be required to ensure that appropriate consultation takes place within the sector they represent in advance of and following LMC meetings to ensure that all appropriate partners have the opportunity to contribute to and are informed of the work of the LMC and progress of the programme.

2.4 The LMC will retain the ability to review its membership over the life of the programme taking into account changes to programme area infrastructure and any revisions to the strategic focus of the OP, as well as LMC members' attendance and commitment.

2.5 In line with key principles identified by Partners the LMC membership numbers will be determined on the basis of achieving:

- Streamlined decision making / delivery
- Greater efficiency / reduced bureaucracy
- Strategically focussed LMC.

2.6 The Membership of the LMC will be published on the DCLG programme website ([www.communities.gov.uk/erdf](http://www.communities.gov.uk/erdf)).

## LMC Membership

The following are nominations/appointments received to date for the relevant sectors. All sectors are asked to nominate a deputy in advance who may attend meetings on their behalf if required.

<b>Sector</b>	<b>Role</b>	<b>Organisation</b>	<b>No.</b>
Managing Authority	Chair	Mark Carroll (DCLG)	1
Local Representation	Deputy Chair	Rachel Quinn (One East Midlands)	1
EU Commission	Advisory	DG Regio (Desk Officer)	1
Local Authorities	Members	Cllr Geoff Stevens (Derbyshire Dales District Council) Cllr Jon Collins (Nottingham City Council) Cllr David Bill (Hinckley and Bosworth Borough Council)	3
Local Enterprise Partnerships	Members	Local Enterprise Partnerships (still awaiting final nominations)	3-5
Private Sector	Member	Sue Kirby (Engineering Employers Federation)	1
TUC	Member	Rob Johnston	1
HE	Member	Dan King (Nottingham University)	1
FE	Member	Simon Fenely (East Midlands Further Education Council)	1
Voluntary	Member	TBC	1
Social Enterprise	Member	Roger Moors (SEEM)	1
Environment /sustainability	Member	Jon Baker (Environment Agency)	1
Equality & Diversity Champion	Member	Jay Vyas (Equalities and Human Rights Commission)	1
BIS	Member	Rowena Limb (BIS local representative) Facilitating alignment with RGF and TSB activity	1
DEFRA	Member	Mike Stubbs (Ensuring appropriate linkages and demarcation with RDPE)	1
Head of ERDF Programme delivery Team	Member	Andrew Morgan ensuring local DCLG representation	1
Total participants (Excl ERDF Secretariat)			20-22
Total Members			19-21

### 3. Sub-groups to the LMC

3.1 The LMC may at any time set up such sub-groups and / or standing or ad hoc working groups or other groups as it thinks appropriate. It is expected that all ERDF Programmes will either have or (following the establishment of LMCs) set up a sub investment group. Such groups will be responsible for the detailed consideration of project applications and will be chaired by the LMC Deputy Chair. The LMC may delegate any of its tasks to a sub-committee and /or group. The Membership of such

sub-committees and or groups shall be agreed by the LMC, reflecting the partnership principle set out in Article 11. The terms of reference and rules of regional sub-committees and groups shall be approved by the LMC.

#### **4. Working Arrangements**

4.1 The LMC will operate in accordance with the following protocols:

- DCLG will Chair the LMC at Director level
- A Deputy Chair will be identified and appointed in accordance with locally determined arrangements and will chair agreed locally specific agenda items.
- The ERDF Programme Delivery Team (PDT) will support the effective working of the LMC, engaging the Chair and Deputy Chair in the preparation of agendas and papers;
- The LMC Agenda will normally be circulated **3** weeks in advance of meetings. In exceptional circumstances additional items may be added to the agenda after the initial agenda distribution;
- LMC Papers will normally be circulated to members via email **7-10** working days in advance of a meeting. In exceptional circumstances, where deferment to the next LMC meeting could have a detrimental impact on delivery of the programme, (one or more) papers may be distributed less than **7** working days before the meeting;
- In the interests of sustainability, and unless otherwise requested / in exceptional circumstances, hard copies of PMC papers will not be made available at the meeting;
- Decision-making will be by consensus. In the event of no consensus being reached, the Chair will be responsible for brokering an appropriate resolution;
- PMC agendas and minutes of previous meetings will be circulated at the earliest opportunity;
- **8** members (or their agreed delegates) will need to be present for a meeting to be considered quorate. This includes representatives of the Managing Authority;
- Where it is necessary / appropriate to conduct business via written procedures, members will be given **10** working days within which to respond (unless exceptional circumstances require a shorter deadline). A non-response will be taken as approval of the proposal.
- Declaration of interest will be a standing item at the beginning of LMC meetings. Members will be required to declare any interest at the appropriate point in the LMC meeting.
- The LMC will operate according to the Nolan rules of conduct for those holding public office/engaged in public business.
- The LMC will review how it is operating in April 2012.

#### 4.2 Frequency of Meetings

The LMC will meet at least twice a year but normally no more than four times a year. Notice of meetings will normally be given at least 15 working days in advance.

### **5. Programme Delivery Team (PDT) : Key Roles and Responsibilities**

5.1 The Programme Delivery Team (PDT) will provide administrative support for the governance arrangements established to oversee programme implementation. Its responsibilities will include:

- Support for LMC and sub-LMC governance arrangements e.g. coordination of agendas and papers, drafting of minutes.
- Liaison with LMC and LMC-sub group members at local, national and EU level
- Providing technical advice on eligibility and compliance issues, to LMC and sub groups as required.
- Coordination of Annual Implementation Reports for presentation /consideration by LMC and submission to EU.



**Annex B**

**EAST MIDLANDS ERDF COMPETITIVENESS PROGRAMME (2007-2013)**

**LOCAL MANAGEMENT COMMITTEE (LMC) Investment Sub Group**

**TERMS OF REFERENCE, MEMBERSHIP AND WORKING ARRANGEMENTS**

**3. Role of the Local Management Committee Investment Sub Group**

- 1.4 The LMC Investment Sub Group is established in accordance with Article 63 of Council Regulation (EC) No. 1083/2006. It will discharge specific tasks laid down in Article 65 delegated to it by the LMC including:
- Consideration and approval of project selection criteria
- 1.5 The Investment Sub Group is responsible for the consideration and approval of project selection criteria for the East Midlands Programme.
- 1.6 The Investment Sub Group will:
- a) Work within the LMC agreed rules of procedure, which will be publicised and made available on the programme website. This will include procedures to avoid conflicts of interest;
  - b) Ensure that local priorities are actively considered and reflected in decision-making processes;
  - c) Consider and approve criteria for selecting ERDF projects/operations and approve any revision of those criteria according to programme need;
  - d) Review the development of specifications and calls for activity
  - e) Monitor recommendations from the PDT in respect of assessment of outline applications
  - f) Endorse (or not) recommendations made in respect of full applications following completion of the formal appraisal process by the PDT
  - g) Consider and develop strategic linkages with other Structural Funds, domestic programmes and wider UK economic policy ensuring as appropriate they are accounted for in the development of selection criteria.
  - h) Work with other LMC sub groups, working groups or task and finish groups as appropriate to enable the LMC to fulfil its responsibilities and to support the efficient implementation of the OP;

- i) Consider major projects before they are endorsed by the LMC prior to submission to the European Commission (defined as comprising a series of works, activities or services intended to accomplish an indivisible task of a precise economic or technical nature, having clearly identified goals and whose total costs exceed 50 million Euros);

#### **4. Membership**

- 2.1 The Sub Group will be chaired by the LMC Deputy Chair (Rachel Quinn) with the Head of ERDF Programme Delivery Team (PDT) (Andrew Morgan) acting as the Deputy Chair. This will provide an important link between the work of the LMC and the Sub Group.
- 2.2 It is likely that this group will meet more often than the LMC and as such the members will need to be able to devote the appropriate time to the work of the group. It is envisaged that in the main the membership will be at delivery officer level with those involved having a detailed knowledge of what is happening on the ground.
- 2.3 Nominations for membership of the Sub Group will made by the appointed LMC members with the final decision on the group membership resting with the LMC Deputy Chair as Chair of the Investment Sub group.
- 2.4 Investment Sub Group members will represent the sector for which they act as delegates rather than their individual organisations. Members will be required to ensure that appropriate consultation takes place within the sector they represent in advance of and following Investment Sub Group meetings to ensure that all appropriate partners have the opportunity to contribute to and are informed of the work of the group and progress of the programme.
- 2.5 The LMC will retain the ability to review the membership of the Sub Group over the life of the programme taking into account changes to programme area infrastructure and any revisions to the strategic focus of the OP, as well as members' attendance and commitment.
- 2.6 Recommendations made by the Investment Sub Group will then be considered by the PDT who as the Managing Authority, will process final decisions on the award of grant and the issue of Offer Letters in line with the East Midlands Operational programme and EC regulations.
- 2.7 The Membership of the Investment Sub Group will be published on the DCLG programme website ([www.communities.gov.uk/erdf](http://www.communities.gov.uk/erdf)).

#### **3 LMC Investment Sub Group Membership**

<b>Role</b>	<b>Sector</b>	<b>Organisation</b>
Chair	LMC Deputy Chair	(Voluntary sector)
Deputy Chair	Head of ERDF PDT	Local organisation (as appropriate)



Member	Local Authorities (officers)	Regional nominations 2-3
Member	Local Enterprise Partnerships	2 -3
Member	Private Sector	Regional nomination
Member	HE	Regional nomination
Member	Environment /sustainability	Environment Agency
Member	Equality & Diversity Champion	Appropriate organisation
Member	ERDF PDT Secretariat	PDT
		11 -13

#### 4. Working Arrangements

4.1 The Investment Sub Group will operate in accordance with the following protocols:

- The LMC Deputy Chair will Chair the group;
- The ERDF Head of PDT will be the deputy Chair for the Group;
- The PDT will support the effective working of the group, engaging the Chair and Deputy Chair in the preparation of agendas and papers;
- The Agenda will normally be circulated **2** weeks in advance of meetings. In exceptional circumstances additional items may be added to the agenda after the initial agenda distribution;
- Meeting Papers will normally be circulated to members via email **7-10** working days in advance of a meeting. In exceptional circumstances, where deferment to the next LMC or sub group meeting could have a detrimental impact on delivery of the programme, or the project papers may be distributed with less notice than this;
- In the interests of sustainability, and unless otherwise requested / in exceptional circumstances, hard copies of papers will not be made available at the meeting;
- Decision-making will be by consensus. In the event of no consensus being reached, the Chair will be responsible for brokering an appropriate resolution;
- Agendas and minutes of previous meetings will be circulated at the earliest opportunity;
- Where it is necessary / appropriate to conduct business via written procedures, members will be given **10** working days within which to respond (unless exceptional circumstances require a shorter deadline). A non-response will be taken as approval of the proposal.
- Declaration of interest will be a standing item at the beginning of each meeting. Members will be required to declare any interest at the appropriate point in the meeting.
- The LMC Sub Group will operate according to the Nolan rules of conduct for those holding public office/engaged in public business.

- The LMC will review how the Sub Group is operating in April 2012.

#### 4.2 Frequency of Meetings

- The Sub Group will meet as required and at least twice a year but normally no more than eight times a year.
- Notice of meetings will normally be given at least 10 working days in advance.

### **5. Programme Delivery Team (PDT): Key Roles and Responsibilities**

5.1 The PDT will provide administrative support for the governance arrangements established to oversee programme implementation. Its responsibilities will include:

- Support for LMC and sub-LMC governance arrangements e.g. coordination of agendas and papers, drafting of minutes.
- Liaison with LMC and LMC-sub group members at local, national and EU level
- Providing technical advice on eligibility and compliance issues, to LMC and sub groups as required.

**Article 11, EC regulation 1083/2006**

***Partnership principle***

1. The objectives of the Funds shall be pursued in the framework of close cooperation, (hereinafter referred to as partnership), between the Commission and each Member State. Each Member State shall organise, where appropriate and in accordance with current national rules and practices, a partnership with authorities and bodies such as:

- a) the competent regional, local, urban and other public authorities;
- b) the economic and social partners;
- c) any other appropriate body representing civil society, environmental partners, non-governmental organisations, and bodies responsible for promoting equality between men and women. Each Member State shall designate the most representative partners at national, regional and local level and in the economic, social, environmental or other spheres (hereinafter referred to as partners), in accordance with national rules and practices, taking account of the need to promote equality between men and women and sustainable development through the integration of environmental protection and improvement requirements.

2. The partnership shall be conducted in full compliance with the respective institutional, legal and financial powers of each partner category as defined in paragraph 1.

The partnership shall cover the preparation, implementation, monitoring and evaluation of operational programmes. Member States shall involve, where appropriate, each of the relevant partners, and particularly the regions, in the different stages of programming within the time limit set for each stage.

3. Each year the Commission shall consult the organisations representing the economic and social partners at European level on assistance from the Funds.

**Article 63, EC regulation 1083/2006**

***Monitoring Committee***

1. The Member State shall set up a monitoring committee for each operational programme, in agreement with the managing authority, within three months from the date of the notification to the Member State of the decision approving the operational programme. A single monitoring committee may be set up for several operational programmes.

2. Each monitoring committee shall draw up its rules of procedure within the institutional, legal and financial framework of the Member State concerned and adopt them in agreement with the managing authority in order to exercise its missions in accordance with this Regulation.

**Article 64, EC regulation 1083/2006**

***Composition***

1. The monitoring committee shall be chaired by a representative of the Member State or the managing authority. Its composition shall be decided by the Member State in agreement with the managing authority.

2. At its own initiative or at the request of the monitoring committee, a representative of the Commission shall participate in the work of the monitoring committee in an advisory capacity. A representative of the EIB and the EIF may participate in an advisory capacity for those operational programmes to which the EIB or the EIF makes a contribution.