



YORKSHIRE & HUMBER COMPETITIVENESS PROGRAMME 2007-13

EXTRA ORDINARY MEETING OF THE LOCAL MANAGEMENT COMMITTEE: LATERAL BUILDING LEEDS 05 DECEMBER 2011

Attendees	Role	Sector/Organisation
Lesley Calder	Chair/ Head of PDT	DCLG
Colin Mellors	Y&H PMB Chair	PVC York University
John Mothersole	Deputy Chair/ SY PMB Chair	CEX- Sheffield Council
Melissa Lockwood	Y&H PMB Member	Environment Agency Deputy for David Dangerfield
Trevor Shaw	Member	Yorkshire Forward
Rob Pearson	Member	HCA
Linda Sproge	Member	EC
Chris Longley	Member	Federation of Small Business
Judy Robinson	Member	Involve Yorkshire
Lloyd Snellgrove	Member	Yorkshire Universities
Martin Cantor	Member	SCR LEP- Deputy for Cllr Roger Stone
Craig Wallace	ERDF Implementation Manager	DCLG
Richard Holmes	ERDF Communication Manager	DCLG
Portia Forbes-Rawlins	ERDF Governance Officer	DCLG
Charlie Spencer	Item 4	C Spencer Ltd
Paul Gratton	Item 4	C Spencer Ltd
Andrew Conn	Item 4	C Spencer Ltd
Paul Moreland	Item 4	C Spencer Ltd
Apologies		
Simon Driver	Member	Hull & Humber LEP
Ian Rowse	Member	Yorkshire Universities
Lee Pepper	Member	DCLG- Y&H ERDF PDT
John Illingworth	Member	Goodwin Trust
David Dangerfield	Member	Environment Agency
Richard Wright	Member	SCR LEP
Liz Bavidge	Member	Equalities & Diversity
Isobel Mills	Member	BIS Local
Richard Kendall	Member	Hull & Humber LEP
Mike Smith	Member	Yorkshire Universities
James Farrar	Member	York & North Yorkshire LEP
Gary Lumby	A2F Chair	Private Sector- Banking
Cllr Roger Stone	Member	SCR LEP
Patrick White	Chair	DCLG

WELCOME, INTRODUCTIONS AND APOLOGIES

Lesley Calder chaired the meeting for Patrick White who was unable to attend. LMC was advised that in line with regulation, the LMC Chair must be from the Managing Authority. It was noted this LMC meeting was an extra-ordinary meeting to consider the major project application and review progress on N+2 2011

Declarations of Interest:

Melissa Lockwood - Energy Works major project

AGENDA ITEM 1 - MINUTES FROM PREVIOUS MEETING AND MATTERS ARISING

Minutes of the previous meeting were formally approved by the LMC, there were no actions arising from the previous minutes.

The FSB representative requested that a programme risk register be presented at the next meeting. The Head of the ERDF Delivery Team confirmed that a Programme Level risk register was in place and was provided to LMC at its last meeting in September. The register had not been updated for the December meeting given focus on N+2.

Action 1: An updated register to be presented at the next meeting of LMC

AGENDA ITEM 2 – PRIORITY PROSPECTUS 2011/12

LMC was advised that with the focus on N+2 and increased workload, the Delivery Team recommended extending the Priority Prospectus until March 2012. The current prospectus was scheduled to end on 31 December 2011. An extension would enable a more focussed and targeted prospectus to be developed following a review of all current projects and the project pipeline,,

Pauses in Priority 3 and 4 would continue with other minor revisions.

Communications would be issued informing partners that the prospectus would remain open and a new prospectus would be presented on 1 April 2011. During this time the Delivery Team would conduct a detail led review of contracted projects and project pipeline and performance against financial and non financial targets. LMC noted that this may lead to a submission of a Programme modification.

LMC noted:

- That a modification would take c3 months to be approved and could include vehement of ERDF between priorities if LMC considered this appropriate
- A modification would enable project outputs to be reviewed, as the economic context within which the Programme had been developed had significantly changed.
- Logistics was not an eligible sector and had been included in the Priority Prospectus in error.
- The Programme must maintain compliance with Lisbon categorisation. This would influence focus of activities for the remainder of the Programme
- The level of tolerable over commitment for the Programme had not been defined by DCLG
- The Delivery Team would continue to work closely with all partners, particularly LEPs, LAs, Universities and third sector to influence the development of the next Prospectus

LMC agreed:

- 1) To extend the July to December 2011 Priority prospectus until 31 March 2012
- 2) That the pause in Priority 3 & 4 be continued
- 3) That a new prospectus would be developed for 1 April 2012

Action 2: ERDF Delivery Team to communicate to partners that the prospectus will remain open, and take forward work to revise the Prospectus following a detailed project review.

AGENDA ITEM 3 – PROGRAMME PERFORMANCE & RISK

LC provided an update on progress to N+2, a written update was tabled. LMC discussed the paper in detail.

LMC noted:

- That the Delivery Team continued to work with all projects to accelerate claims and bring forward additional spend. The level of any additional spend could not be determined, however the Team would continue to seek and process claims until the latest possible point,
- Approximately £5.1million claims remained outstanding with the deadline at 6 December
- The projected shortfall of c£9m against the target and considered best and worst case scenarios.
- That all best endeavours were being employed in order to maximise spend
- Work to secure approval for JESSICA and Hull Energy Works would continue, but remained high risk to contribute to 2011 N+2
- That the Delivery Team would **not compromise compliance** given pressure to achieve N+2, as this would inevitably result in financial penalty and possible Programme suspension/interruption
- That tough decisions would be required in order to manage the reduction in ERDF is the target that was not met, and that this may impact on some Projects that had failed to spend to forecast
- The risk of non-achievement, and that communication if the target is not met would need to be sensitively managed.
- Changes in exchange rates had reduced the 2011 target.

LMC noted and acknowledged the hard work of the ERDF Delivery Team for progress to date and the hard work and of all projects who had maximised their spend to contribute to the N+2 target.

AGENDA ITEM 4 – MAJOR PROJECT APPLICATION: ENERGY WORKS

C Spencer Ltd was invited to provide a detailed presentation on the a major application for the Energy Works project to LMC. This included background, scope of scheme, funding, environmental impact and results of the cost benefit analysis.

LMC discussed:

- EC consultation on Roc Banding Certification. It was confirmed that scenario planning had been undertaken on the outcome of the consultation to ensure that the project would remain viable should there be significant change following the outcome of the consultation.
- Contracts to supply the plant with waste. It was confirmed that a contract is in place and that negotiations are underway with Local Authorities including Hull City Council. The LMC was reassured on the availability of the waste inputs
- The requirement for State aid notification. The notification number critical to the major project application form. This had not yet been received and the project could not be submitted without this vital information.
- The approved planning permission as extremely positive, as the process can be protracted. This mitigates risk to the project.
- That the project would deliver significant climate change outputs for the Programme
- The economic and environmental impact on the Hull area. This was considered potentially significant.

PMC noted:

- The LMC was endorsing submission of the major project application to DG Regio, not approving the project. The ERDF application would be subject to full local and EU major project approval processes.
- DG Regio approval may take up to three months
- Any Funding Agreement would require confirmation of match funding

It was the considered view of the LMC that the project was entirely consistent with the Operational Programme, represented reasonable value for money, and had the potential to deliver significant economic and environmental benefits for the area

LMC Agreed:

To the submission of the major application, The ERDF Delivery Team to resolve any outstanding issues/points of detail before submission to DG Regio.

Action 3: ERDF Delivery Team to support resolution of final issues, in particular state aid notification in order to submit the major project application to DG Regio as soon as possible

AGENDA ITEM 5 – Y&H AND SY PMB UPDATES

Due to time pressures it was agreed any issues would be carried forward to the next meeting

AGENDA ITEM 6 – DE COMMITMENT COMMUNICATIONS

A brief discussion was held on the potential de-commitment from the programme.

LMC noted:

- There would be no formal announcement on the N+2 2011 target.
- Confirmation from the EC would not be received until mid-January or later.
- The ERDF Delivery Team would have a indication if the target had been reached before Christmas, on submission of the final declaration by 12 December.

The Head of the ERDF Delivery Team would inform the LMC as soon as the outcome was known but there would be no formal statement.

LMC agreed:

- That communications would need to be managed carefully and sensitively and routed through the LMC Chair/Deputy Chairs.
- The Head of the ERDF Delivery Team to provide briefing on lines to take.

Action 4: The Head of the ERDF Delivery Team to provide guidance in relation to communication to all LMC members

AGENDA ITEM 12- AOB

LMC was informed that the next LMC meeting would be held at the end of January/ beginning of February. This meeting would cover the final N+2 target and the plans for 2012.

Minutes end