



CMSEC/FEB08

**NORTH EAST ENGLAND COMPETITIVENESS PROGRAMME (2007-2013)**

**MEETING OF THE PROGRAMME MONITORING COMMITTEE: 15 FEBRUARY 2008**

<b>Attendees</b>	<b>Role</b>	<b>Sector</b>
Jonathan Blackie	(Chair)	Government Office North East
Pat Ritchie		One NorthEast
Jack Engwegen		European Commission
Ieva Zalite		European Commission
Femi Ojumu		DCLG
Adelle Rowe		Environment/Sustainability
Ranjana Bell		Equality and Diversity
Margaret Wightman		Voluntary Sector
John Cuthbert		Private Sector
Kevin Rowan		TUC
Laura Woods		Higher Education
Mark Thrumble		Further Education
Bob Ward		Local Authority (Durham)
Cllr Bill Brooks		Local Authority (Northumberland)
John Lowther		Local Authority (Tees Valley)
Cllr Bryan Charlton		Local Authority (Tyne & Wear)
John Hamilton	(Observer)	Local Authority (Northumberland)
Gordon Bell	(Observer)	Local Authority (Tyne & Wear)
Peter Smith	(Observer)	Government Office North East
Neil Robertson	(Observer)	Government Office North East
Lesley Calder	(Secretariat)	One NorthEast
Iain Derrick	(Secretariat)	One NorthEast
Raffaella Ebani	(Secretariat)	One NorthEast
Craig Milligan	(Minutes)	One NorthEast
Sarah Collyer	(Minutes)	One NorthEast

**Apologies**

Cllr Alan Cox	Local Authority (Durham)
Cllr Bob Cook	Local Authority (Tees Valley)
Helen Pickering	Higher Education

## **Agenda Item 1 – Welcome and Introduction**

The Chair welcomed members to the first Programme Monitoring Committee meeting of the 2007-13 Programme. The Chair updated the PMC on the previous day's successful programme launch event at St James' Park. Positive press coverage of the launch appeared in the day's *'Journal,' 'Evening Gazette,' 'Northern Echo.'*

## **Agenda Item 2 – Apologies**

Apologies were received from Cllr Alan Cox - Local Authority (Durham), Cllr Bob Cook – Local Authority (Tees Valley) and Helen Pickering – Higher Education (Laura Woods deputised).

## **Agenda Item 3 – Proposed Declaration of Interest Protocol**

The PMC discussed the Declarations of Interest Protocol and noted the requirement to complete and regularly update a proforma setting out any relevant member interests.

**PMC agreed** to the proposed declaration of interest protocol.

**Action Point 1** – Secretariat to email members a copy of the Declaration of Interest pro-forma.

**Action Point 2** – All members to complete and return the Declaration of Interest pro-forma to secretariat by 29 February.

## **Agenda Item 4 – NE Competitiveness Operational Programme**

In order that PMC members were brought fully up to date with the background and consultation process of the Operational Programme and its priorities, the PMC received:

- A presentation on the policy context, consultation process and Programme priorities;
- A short, filmed message from Commissioner Danuta Hubner;
- A promotional DVD setting out the priorities for the Programme.

The PMC was also advised that all papers and discussion items presented at the meeting had been subject to consideration by an ERDF Task and Finish Group, chaired by Government Office North East and comprising membership from Local Authorities, Sub/City Regions and Higher Education. The Task and Finish Group had considered and agreed Draft Terms of Reference, Draft Delivery Plan, Selection Criteria and approach for consideration by PMC.

**Action Point 3** – ONE NorthEast to ensure the promotional DVD and message from Commissioner Danuta Hubner area available on the website.

## **Agenda Item 5 – ERDF Programme Governance 2007-2013**

### **i) Programme Monitoring (PMC) Draft Terms of Reference**

The Committee examined the key points within the Terms of Reference:

- The PMC is a strategic partnership with responsibility to move the Programme from development to delivery; however, it is not responsible for the awarding of individual grants.
- The PMC will monitor progress to ensure the Programme is achieving its outputs and that it is compliant with regulations.
- The PMC is responsible for approving the Delivery Framework and Technical Assistance Strategy, the establishment of any sub committees and will endorse any major projects (projects with over fifty million euros of total investment, or twenty five million euros in the case of environmental projects).
- The membership of PMC is governed by EC regulations and comprises sectoral representation from across the region.
- Members act as sectoral representatives and do not represent individual organisations.

Through discussion the representational role of partners was emphasised. PMC noted the responsibility of members to consult and disseminate within their sectors. To assist the members' communication it was agreed that within one week of each meeting the Secretariat would produce and circulate a brief summary of key messages from each meeting.

#### **PMC agreed:**

- That the Secretariat would, on behalf of the PMC, invite representation from the Rural Development Programme for England (RDPE) and the European Social Fund (ESF) to future meetings.
- The draft PMC Terms of Reference, subject to the amendments discussed, including a description of Secretariat roles and responsibilities.

**Action Point 4** – Change 'Third Sector' to 'Voluntary Sector' (table 1 of the PMC Terms of Reference) to more accurately reflect the representation of delegate. Drop 'where appropriate' from point 1.3.

**Action Point 5** – The Secretariat to produce a 'Key Messages' briefing before and after meetings, to highlight the main issues covered/agreed in the meeting.

**Action Point 6** – Key ONE staff to meet with voluntary sector organisations to discuss the Operational Programme if appropriate.

### **ii) Programme Executive Group (PEG) Draft Terms of Reference**

The PMC examined the proposed Terms of Reference for the Programme Executive Group (PEG). The Programme Executive Group will act under delegated authority from PMC and assist the Managing Authority in the successful delivery of the Operational Programme.

Through discussion it was agreed that the Terms of Reference refer to strategic alignment between the ONE NorthEast Corporate Plan, Regional Economic Strategy and the Operational Programme. Section 7 of the Programme Executive Group Terms of Reference should make reference to the timescale for the drafting and issue of minutes.

**PMC agreed** to the Terms of Reference for the Programme Executive Group, subject to the amendments discussed.

**Action Point 7** – Secretariat to amend Terms of Reference as agreed and recirculate to PMC members.

### **iii) Arrangements for the Management of 2000-2006 Objective 2 Programme**

The PMC was asked to note that the management of the current 2000-2006 ERDF Programme is subject to separate management arrangements through Government Office North East and a separate, existing PMC.

Whilst the current 2000 – 2006 PMC is not likely to meet regularly, if a meeting is required it could be arranged to take place either directly before or after the 2007 – 2013 meeting for the convenience of members.

The PMC was asked to note that the current Programme – even though in its last stages, did continue to require management and resourcing through the closure period.

**Action Point 8** – GONE and ONE to liaise when arranging meetings of the PMCs.

### **Agenda Item 6 – Draft ERDF Delivery Framework and Project Selection Criteria**

The Operational Programme Delivery Framework was presented, setting out the high level principles to move the Programme into implementation. The Delivery Plan comprises:

- The vision for the Programme and its global objectives;
- Considerations given to cross cutting themes;
- Financial planning, allocations fixed at Priority level with field of actions splits managed by PMC;
- Prioritisation of disadvantaged areas, and the methodology used to define 'disadvantaged';
- Project commissioning process, including non-competitive selection, limited bidding and open bidding.

The PMC noted that it must retain a strategic approach to ERDF investment, whilst effectively managing spend in order to achieve N+2 targets.

The Commission representative sought clarification from the Secretariat and PMC in respect of the proposals for non-competitive selection of projects. The Secretariat reaffirmed that non-competitive selection is

confined to potential activities that are clearly identified within the Regional Economic Strategy, its Action Plan and the Operational Programme.

The rationale for this is:

- The robust evidence base used to develop the Regional Economic Strategy, Action Plan and Operational Programme;
- The extensive partnership consultation already carried out to arrive at and agree priorities for investment;
- The strong partnership buy-in and agreement to clear regional priorities for investment

PMC members strongly supported this approach and confirmed that a high degree of wide partnership engagement and a formal consultation process has led to a small number of key investment priorities, which should be supported to proceed quickly through the required ERDF appraisal process.

PMC noted that the use of non-competitive selection would be limited. Projects would also come forward through open bidding and limited bidding.

PMC also considered:

- That whilst ERDF is closely aligned to Single Programme, One NorthEast is not a co-financing body. Projects seeking ERDF investment would be required to provide secure match funding;
- The proposal to develop innovative projects was well received, Programme Executive Group to further develop how this would operate in practice;
- The recommended minimum project size of £500,000 ERDF was supported in principle, but on condition that appraisal of projects ensured that project costs are not artificially inflated to meet the minimum threshold.
- The PMC acknowledged the challenge of engaging smaller organisations in delivery of the programme where appropriate and where these could contribute to the delivery of the innovation and enterprise priorities. Suggestions for creative ways in which small organisations could potentially collaborate and engage were well received.

The PMC agreed:

- That the Programme Executive Group would further consider, agree and implement the final project selection process, in particular considering and agreeing the region's approach to non-competitive selection, taking into account the comments from the Commission;
- To review the threshold level of ERDF investment in twelve months and report back to PMC;
- To encourage community and voluntary organisations to develop collaborative approaches to bidding for ERDF investment in order to

deliver at the appropriate scale and impact for the Operational Programme.

**Action Point 9** – Programme Executive Group to develop clear rationale for projects entering the Programme via the non-competitive selection and to consider an early limited call against priorities one and two.

**Action Point 10** – Programme Executive Group to agree a more detailed approach to experimental projects.

**Action Point 11** – Replace the term ‘project’ with ‘operation’ in the draft Delivery Framework so that packages can be included.

### **Agenda Item 7 – Draft Technical Assistance Strategy**

The PMC were asked to endorse the Technical Assistance Strategy, which sets out proposals for utilising Technical assistance to support the successful management and delivery of the Programme.

Through discussion it was agreed to include in the strategy:

- Visits to exchange information and share best practice as an eligible cost, (including transnational cooperation);
- Sub regional partnership development / engagement.

The Commission representative reminded the PMC that in respect of personnel costs, it is essential to ensure that an audit trail is in place.

#### **PMC agreed:**

- The draft Technical Assistance Strategy, subject to the amendments discussed;
- That management of the TA Strategy should be delegated to Programme Executive Group.

**Action Point 12**– Incorporate the amendments agreed above into the TA Strategy.

### **Agenda Item 8 – Draft ERDF Operational Programme Communication Strategy**

The Operational Programme Communications Strategy was presented. It is a PMC requirement to submit it to the Commission within four months of the Operational Programme’s approval. The communications budget is worth £1.4m and the key message was that communications is an integral part of ERDF in order to promote its use in the region.

The PMC was advised that the Commission is organising a database of flagship projects. Communication Officers from the UK regions will meet to take this forward, as well as sharing ideas on ways to promote how ERDF money has been spent.

**PMC agreed** to the contents of the OP Communications Strategy.

**Action Point 13** – The Agency must bear in mind the Accessibility Guidelines when producing literature/briefings etc.

#### **Agenda Item 9 – AOB**

It was agreed that the Secretariat should consider more prominent promotion of public opportunities for social and community enterprises to engage in ERDF when producing Programme literature.

The Secretariat advised that One NorthEast will be holding a number of roadshows in the region to promote the Programme to a wider audience.

#### **Retirement of Peter Smith (Government Office North East)**

The Chair announced that Peter Smith would be leaving the Government Office European team in March. PMC members thanked Peter for his extensive contribution to the European agenda in the North East Region and his commitment and enthusiasm over a number of years.

**Action Point 14** –Unis4NE to provide a nominated representative for the Higher Education sector for Programme Executive Group.

#### **Agenda Item 10 – Date of Next Meeting**

It is proposed to hold a further 2 meetings of the PMC in 2008. Future themes would include Innovation Connectors and Business Support. They will take place:

- 19 June 09.00 – 11.00
- 22 October 11.00 – 13.00

Venues to be confirmed.