

**East Midlands 2007-13 ERDF Competitiveness Programme
Programme Monitoring Committee (LMC) Meeting**

Friday 10th February 2012

Attendees

Mark Carroll (MC)	Department for Communities and Local Government (DCLG)	LMC Chair
Rachel Quinn (RQ)	One East Midlands	LMC Deputy Chair
David Malpass (DM)	Department for Communities and Local Government	Observer
Andrew Morgan (AM)	ERDF Programme Delivery Team	LMC Member
Stuart Creedy (SC)	ERDF Programme Delivery Team	Secretariat
Michelle Targett (MT)	ERDF Programme Delivery Team	Secretariat
Martin Holland (MH)	ERDF Programme Delivery Team	Secretariat
Ruth Nugent (RN)	European Commission: DG Regio	LMC Adviser
Cllr Geoff Stevens (GS)	Derbyshire Dales District Council	LMC Member
Cllr Robert Parker (RP)	Lincolnshire County Council	LMC Alternative
Cllr David Bill (DB)	Hinckley and Bosworth Borough Council	LMC Member
Stuart Young (SY)	East Midlands Councils	LMC Observer
Jenny Gammon (JG)	Greater Lincolnshire LEP	LMC Member
Mathew Wheatley (MW)	D2N2 LEP	LMC Member
Sue Kirby (SK)	EEF The Manufacturers Organisation	LMC Member
Keith Baker (KB)	Nottingham University	LMC Alternative
Jon Baker (JB)	Environment Agency	LMC Member
Rowena Limb (RL)	Department for Business, Innovation and Skills (BIS)	LMC Member
Roger Moors (RM)	SEEM	LMC Member
Melanie Fischer (MF)	DEFRA	LMC Alternative
Simon Fenely (SF)	East Midlands Further Education Council	LMC Member
Dan Jones (DJ)	Jones Lang LaSalle	Presenter
Richard Hindle (RH)	SQW	Presenter
Rebecca Pates (RPa)	SQW	Presenter

Apologies

Sajeeda Rose (SR)	Northamptonshire and South East Midlands LEP	LMC Member
Cllr Eion Watts (EW)	Sheffield City Region LEP	LMC Member
Phil Cox (PC)	Leicester and Leicestershire LEP	LMC Member
Cllr Jon Collins (JC)	Nottingham City Council	LMC Member
Dan King (DK)	Nottingham University	LMC Member
Jay Vyas (JV)	Equality and Human Rights Commission	LMC Member
Neville Rayner (NR)	Greater Peterborough, Cambridge and Rutland LEP	LMC Member
Rob Johnston (RJ)	TUC	LMC Member
Joseph Von Maltzahn (JVM)	Jones Lang LaSalle	Presenter

1) Welcome, introduction and apologies

The Chair (MC) welcomed Members to the meeting and thanked those present for attending. Introductions and apologies were given.

2) Declaration of interest

MC called for all declarations of interest for the current LMC meeting of which there were none. Register of Interest forms were not yet available to be issued to the LMC prior to meetings due to a final list of Members being unconfirmed.

3) Review minutes and actions from previous meeting

MC reviewed the minutes and actions of the previous meeting providing the following as updates:

- **LEP Representation** – AM confirmed that we had now received nominations from all of LEPs but not all were present at the meeting. SY commented that we must ensure that representation on the LMC is at the correct level required for all members attending. AM confirmed that a complete list of members would be issued in due course.
- **LMC Investment Sub Group** – AM updated that the first meeting for the LMC Investment Sub Group would take place on the 28th February 2012 with nominations for membership being brought forward. SY raised the need for suitable nominations from the PA2 districts. RQ was keen to ensure that there is sufficient overlap between the LMC and Investment Subgroup and that linkages are made to continually review the Investment Strategy.
- **PA2 Board** – RQ wished to ensure that there is a forum for East Midlands Councils (EMC) to meet. SY expressed the need to see the Network group for PA2 districts formally organised as part of the Formal governance structure, linking back to the LMC/Sub Group. SY agreed to facilitate the network group for the PA2 districts
- **Programme Updates** – SC to provide an update at Agenda Item 6 – Paper 3.

- **Noted Amendments** – Jon Baker (JB) of the Environment Agency commented that the minutes of the previous meeting noted him as an apology when he was in attendance.
Sue Kirby (SK) noted the amendment to the wording of the Engineering Employers Federation (EEF) to include The Manufacturers Organisation. The Minutes of the previous meeting were amended to reflect this.
- **Exchange Rate** – SC confirmed that the issue on how the exchange rate would be handled is being progressed. MC confirmed that this was raised and discussed by Philip Cox (DCLG) at the recent meeting of the LMC Chairs.

The minutes were agreed as an accurate record of the last PMC meeting held on 09 December 2011 with two amendments noted.

4) **Programme Evaluation - SQW**

MC introduced SQW to present their programme evaluation. The Evaluation was presented by Richard Hindle (RH) and Rebecca Pates (RP) of SQW covering the 2010 Interim Assessment for information and the 2012 Impact Evaluation Work Programme.

Evaluation to Date.

MC thanked SQW for the presentation which was an informative update on what has been achieved in the region to date and the suggestions on how the programme should proceed. MC then opened discussion on this.

SY commented that it has been 18 months since the Interim Assessment report was published when many recommendations were made but he was unsure on how these were being actioned and taken toward.

AM informed the LMC that the changes in structure and governance to the Programme had impacted on how the recommendations are delivered in the long term. This forms part of the wider standardisation of processes that is due to be implemented from April onwards.

DM commented that the recommendations presented seem consistent with those being presented in other regions. Standardisation will see a more simplified process that can be applied which will improve programme delivery across all PDTs. He went on to say that some priorities such as sourcing suitable match funding and failure to meet output targets were much more difficult to deliver against and this is consistent across other PDTs. The safeguarding of jobs through ERDF is extremely important as a key target for ERDF and we will continue to drive this forward.

JG stressed the importance of broadband in Lincolnshire and how best to align ERDF projects to the BDUK approach. Also stressed was the importance of Tourism to the Lincolnshire economy. JG suggested that case studies could be successful to inform on lessons learnt.

GS highlighted the benefits of ERDF and commented that more could be done through the evaluation of ERDF to assist people in their understanding of the fund.

RQ commented on the lack of management information to provide updates on the progress of projects through the approval and appeal system.

SC suggested that this information would be provided and considered by the investment sub group.

RP raised questions from the evaluation with regards to how much has the world moved on since the inception of the evaluation in 2010 and what are the impacts of this on the future of ERDF? The nature of ERDF means that process appears to dominate all aspects of the fund. It would be useful to see what has been achieved with the money to date and how this can be used to inform the future. There are no comparisons against the other regions.

MC recognised the points being made and stressed the need for comparator data to DM across the network.

AM is leading on the Standardisation of Management Information across the network. He raised the issue of how difficult it is to establish the common definitions across the regions as they vary from one to the next. Once we have a standard set of systems in place for delivering information, we can begin to produce sufficient reports to inform the programme. AM confirmed that this would be made available at a future meeting.

RL commented on the benefits of case studies as a potential to communicate with those outside of ERDF who may consider applying for funding. We should be looking to draw on 5 years worth of examples as evidence of what has been achieved. This needs to be more visible as part of the programme.

JB commented on item 11 of the presentation on cross cutting themes. He understood the challenges faced in terms of what can realistically be achieved and measured given the current climate, but would find it useful to see what has happened as a result of the outputs/impacts achieved and the detail behind these and their achievements.

RM expressed the need for better inductions to ERDF for those who are inexperienced but would like to consider utilising the fund and develop a greater in depth knowledge.

MC surmised that in general there was a communication issue on both levels, transparency of processes needed to be improved and that Case Studies were a potentially useful way of achieving a better understanding of ERDF for those who have not yet accessed European funding. He then went on to say that the LMC would welcome greater transparency and improved Management Information, both of which could assist in communicating positive messages externally.

ACTION – AM to provide example of reports to be produced as part of Standardisation of Management Information at a future LMC.

Next Stage Evaluation

SY raised the question of how the regional evaluation would fit into a wider National evaluation and whether this had been considered to enable comparisons to be made.

AM said that a proposal for a national Evaluation was currently being explored with the use of funds from DLCG and a contribution from each PDT. This would be a high level evaluation with a consistent level of evaluation data from across the regions.

There is the potential to secure £10,000 from each region to deliver this nationally, using technical assistance from within each Programme and a further contribution from DCLG.

SY questioned whether an evaluation at this cost would be the best and most cost effective use of resources to deliver something of this type.

DM responded to this by saying that the national evaluation based on the current programme will help to assist in the development of the next programme and how this will be taken forward. The Commission view this as England's overall programme and so it is essential that we have a consolidated national view of what is being delivered across all of the regions.

MC concluded that the LMC have concerns over the value of the national evaluation and would like to see a paper on how this will work and where the linkages will be made between this and the regional evaluation at a local level. Given the timescales it was agreed that the Chair and Deputy Chair would take a final decision.

RL commented that they would like to see timescales against the paper.

ACTION – AM and SC to provide an update on national evaluation at the next LMC.

5) JESSICA Update – Jones Lang LaSalle Finance

MC introduced Dan Jones from Jones Lang LaSalle Finance to update the LMC members on JESSICA to date. Copies of the presentation were distributed to all members.

The JESSICA presentation was given by Dan Jones, providing information to LMC members on what JESSICA is, how it has been implemented in the East Midlands and an update on JESSICA East Midlands (JEM).

Following the presentation MC invited comments from members.

DB raised a query on whether his area of South West Leicestershire would be eligible for JESSICA, not forming part of the City but still being an Urban area, citing a range of projects including housing, health, retail.

DJ responded to this by defining the specific areas of investment that investment fund is applied to, focusing on innovation. The developments must be a realistic prospect in order to provide a return on investment. They are looking to invest in projects which are cash generative with retail and housing etc not being eligible under JESSICA. Bio City was cited as a prime example of what JESSICA could be used for.

SY was concerned that no investments had been made to date through the fund and raised the question of what would happen should no investments be made.

DJ confirmed that this was something that is on the radar of the JEM board. There were a number of reasons why no investments had yet been made. These included the fund being very niche in terms of the types of investment they are aiming for, it is a new concept which not all projects are suited to, limited debt finance, a lack of equity in the private sector and overall risk aversion.

DJ went on to say that the types of projects that have been brought forward to date are too broad in their approach and not specific enough to fit with the fund and therefore investment through JESSICA has not been possible. Discussions are currently underway with a number of potential projects.

DJ responded to the matter to say that the reputational risk to Jones Lang LaSalle Finance should they not make an investment was extremely high and so this was not an option. In terms of comparison to other regional JESSICA funds, the East Midlands is currently ahead.

AM confirmed that if the funds are not invested, the money will come back into the PA1 pot and must then be spent on other projects. AM requested that by Autumn 2013 we will need to be in a position where by definite investments are to be made.

JG commented that Sheffield had aligned their Growing Places Fund to a JESSICA and questioned whether this was being looked at in the East Midlands?

MC's closing comments on JESSICA requested an update on progress of the fund at either the next planned LMC or the one to follow that, dependant upon progress made by that time.

ACTION – AM/SC to timetable an update on JESSICA at a forthcoming LMC. Date TBC.

6) Programme Update

SC presented a paper to the LMC members, providing an update on progress and performance of the East Midlands Programme to date.

MC commented that he would like to see the geographical breakdown against the outputs, results and outcomes within the Region in order to make sense of what this information really means in the context of the East Midlands.

MC congratulated the PDT on their achievement with the error rate, understanding the original challenges that were faced over this.

SY stressed the essential need for greater communications by the PDT. The broadband guidance was found to be positive, although EM Councils found the guidance not to be conclusive in its approach.

Members of the LMC noted the progress of the Programme since the last LMC meeting in December 2011.

7) Any Other Business

MC confirmed a need to improve our reach to the East Midlands. SC and RQ were asked by MC to discuss this further and provide a paper at the next LMC meeting to outline how this would be achieved.

RQ further commented on the lack of engagement with the 3rd Sector and that the effective use of TA would aid in bringing together EMC, the LEPS etc.

ACTION – SC and RQ to provide an update at the next LMC on how the PDT will improve its reach to the East Midlands.

8) Date of Next Meeting

The next LMC would be held in May (date to be confirmed). MC highlighted that this was around the time of the annual report and that this would need to be circulated well in advance of the meeting to members in order to engage sufficiently with them and receive comments back on this. It was stressed that comments should be received in advance of the meeting in order to prevent lengthy discussions at the next LMC and detract from the main agenda which must focus on key issues such as communications, management information etc.

RL requested that the dates for subsequent LMC meetings are planned in advance for the coming year to enable members to have them placed in their diaries and prevent clashes with other meetings.

Action: PDT to confirm details of date and venue to LMC members in due course.