

**Minutes of the Joint West Midlands Regional ESF Committee
& ERDF Programme Monitoring Committee 2007- 2013**

Date: 26 November 2009

Venue: Advantage West Midlands, Boardroom

Full Members Present	Representing
Trudi Elliott	Government Office for the West Midlands (GOWM)
Paul John	Advantage West Midlands (AWM) – Director of European Programmes
Anna Vinsen	AWM – Interim European Programmes Team Leader
Norman Price	Enterprise Board & Private Sector
Olwen Dutton	West Midlands Leaders Board (WMLB)
Cllr Philip Atkins	Staffordshire Sub-Region
Cllr Ken Taylor	Coventry & Warwickshire Sub-Region
Cllr Adrian Blackshaw	Marches Sub-Region
Margaret Lees	Department for Communities and Local Government (CLG)
Gill Mortlock	National Offender Management Service (NOMS)
Ian Chapman	ESF Division, DWP

Deputies	Representing
Mark Funnell	Environment Agency
Julie Robson	Learning & Skills Council (LSC)
Bhanu Patel	Jobcentre Plus (JCP)
Jo Cranston	JCP

Observers	Representing
Hanne Hoeck	AWM – Technical Assurance Manager
Debra Blisson	ERDF Priority 2 Working Group Chair
Esther Knight	ERDF Priority 4 Steering Group Chair
Jon Bloomfield	AWM – Head of European Policy
Laura Short	Department for Communities and Local Government (CLG)
Liz Charlton	Government Office for the West Midlands (GOWM)
Graham Watt	GOWM
Peter Long	GOWM

Apologies	Representing	Deputised by
Mick Laverty	AWM	Paul John
Andrew Stewart	Department for Business, Innovation and Skills (BIS)	
Kyriacos Charalambous	European Commission, DG Regio	
Gwendolyne Orchard	European Commission, DG Emploi	
Cllr Roger Lawrence	Black Country Sub Region	
Cllr Paul Tilsley	Birmingham & Solihull Sub-Region	
Mark Sitton-Kent	Environment Agency	Mark Funnell
David Cragg	LSC	Julie Robson
Margaret Tovey	JCP	Jo Cranston/ Bhanu Patel
Dr Pam Waddell	ERDF Priority Working Group 1 Chair	

John Banyard	Innovation Technology Council (ITC)	
Geraldine Tsakirakis	Third Sector	
Patrick Willcocks	ERDF Priority Working Group 3 Chair	
Professor David Tidmarsh	West Midlands Higher Education Authority (WMHEA)	
Mike Beasley	Regional Skills Partnership (RSP)	
Patrick Donajrodski	NOMS	
Professor John Mawson	Social Enterprise Network	
Dr Simon Murphy	City Region	

Welcome and Introductions Minutes of previous meeting and actions arising (Trudi Elliott)	Action
<ol style="list-style-type: none"> 1. Trudi Elliott welcomed everyone to the joint meeting of the Regional ESF Committee and the ERDF Programme Monitoring Committee. 2. Trudi Elliott led the consideration of the previous minutes which were deemed accurate. The actions listed were discussed; particularly action 2 – closer links between ESF and ERDF. Liz Charlton noted that the ESF allocation until 2011 has been legally committed to projects by the three Co-Financing Bodies and cannot be reallocated; if any projects do not spend their entire contracted amount, then this would be reviewed. Peter Long added that the Regional ESF Framework which is currently being reviewed (Agenda item 6a) will help address this gap in the future. 	

ESF Regional Sub Committee

Presentation: ESF Sustainable Development Mainstreaming Project	
<ol style="list-style-type: none"> 3. Chris Walker from Ecotec gave a presentation on the ESF Sustainable Development Mainstreaming Project. 4. Mark Funnell noted that this work was encouraging but stated that linking this work to outcomes is of most benefit, particularly the environmental and economic gains. Chris Walker stated that these links were being made, but that the biggest impact is in the raising awareness of ESF project applicants. 	
Paper 1a: National ESF Programme Update (Ian Chapman)	Action
<ol style="list-style-type: none"> 5. Ian Chapman presented a paper summarising the status of ESF at national level. For detailed information on the update please refer to paper 1a. 6. Ian Chapman confirmed that the ESF Programme had achieved its N+2 target. 7. Ian Chapman stated that, as per the Sustainable Development Mainstreaming project, the IT system for the submission and acceptance of e-claims was currently being finalised, and would 	

<p>be launched in mid-January 2010.</p> <p>8. Julie Robson stated that Olwen Dutton was involved in the transfer of activity to the YPLA to ensure that this was as smooth as possible.</p>	
<p>Paper 2a: Regional ESF Programme Update (Peter Long)</p>	<p>Action</p>
<p>9. Peter Long presented a paper summarising the status of ESF at regional level. For detailed information on the update please refer to paper 2a.</p> <p>10. Cllr Adrian Blackshaw asked whether a regional breakdown for NEETS figures was available. Peter Long stated that the figures presented were at CFO level only, but could be provided for future meetings if required; members agreed that this would be helpful.</p> <p>11. Peter Long confirmed that the low levels of female participation had been raised at the national PMC meeting, and the Co-Financing Bodies were looking at targeting interventions to improve these figures.</p>	<p>1. Regional figures for NEETS to be provided for future meetings.</p>
<p>Paper 3a: LSC/WMLB Programme Performance Update (Julie Robson)</p>	
<p>12. Julie Robson presented a paper summarising the performance of ESF by LSC and WMLGA. For detailed information on the update please refer to paper 3a.</p> <p>13. Trudi Elliott noted that for the Regional Finance Board DWP provided a diagram showing the varied funding streams available and asked for this to be circulated to PMC members for information.</p> <p>14. Norman Price asked for more information on the Unity contract. Julie Robson confirmed that this is a Union based contract and focuses on companies where there is the possibility of redundancy and looks at up-skilling workers to help them find new work. This operates in all sectors and business scales. The intention is to support people at risk, but it is unlikely that this would ultimately avoid the redundancy occurring.</p>	<p>2. Julie Robson to circulate funding Stream diagram.</p>

<p>Paper 4a: DWP/Jobcentre Plus Performance Update (Jo Cranston)</p>	
<p>15. Jo Cranston presented a paper summarising DWP/Jobcentre Plus Performance. For detailed information on the update please refer to paper 4a.</p> <p>16. The actual levels of redundancies in the region have been 3 male to 1 female. Norman Price questioned whether the target for the percentage of female participants should be altered given that the situation has changed from when the targets were set. Jo Cranston stated that Job Centre Plus via providers was trying to target those most in need of assistance to ensure that the best support was being provided, regardless of the targets imposed. Cllr Ken Taylor asked how the targets had been created. Ian Chapman stated that they were the regional share of national targets agreed with the Commission, adding that if a strong enough case could be made, then a request could be made to alter these.</p> <p>17. Jon Bloomfield asked why information could not be provided on the last two issues in table 3 of the paper. Ian Chapman stated that this information would be provided in the cohort survey which was being undertaken nationally, meaning that information would be provided shortly.</p>	
<p>Paper 5a: NOMS Programme Update (Gill Mortlock)</p>	
<p>18. Gill Mortlock presented a paper summarising NOMS CFO Plan progress. For detailed information on the update please refer to paper 5a.</p> <p>19. Julie Robson noted that other CFOs were initially concerned about NOMS joining the Programme, but stated that the transition had been smooth and positive to date.</p> <p>20. Norman Price questioned awarding Manchester College as the lead provider. Gill Mortlock stated that all staff are based within the region and are employed by Manchester College, stating that they were awarded the contract as they had a good track record in this nature of work.</p>	
<p>Paper 6a: Review of the Regional ESF Framework (Pete Long)</p>	
<p>21. Pete Long presented a paper focusing on the review of the</p>	

<p>Regional ESF Framework. For detailed information on the update please refer to paper 6a.</p> <p>22. Norman Price asked whether consideration had been given to the use of ESF on short-time working. Ian Chapman confirmed that this had not been considered as it is not government policy to support short time working. Liz Charlton added that following the PMC instruction to do so, BIS were approached who informed GOWM that wage subsidisation is not eligible for support. As this is national policy the PMC are unable to influence this, however some members of the group expressed concerns over the inability to offer support of this nature. Liz Charlton was asked to re-issue the guidance note to PMC members.</p> <p>23. Cllr Adrian Blackshaw asked if there was any data which was more up-to-date than 2008. Julie Robson confirmed that this is the latest data available; and Pete Long added that the evaluation which is due in early 2010 would augment this.</p> <p>24. The PMC voted on the options for the additional TA being requested outlined in the paper, and agreed that the additional TA should be allocated on the basis of 2/3rds to P1 and 1/3rd to P2.</p>	<p>3. Liz Charlton to reissue short-time working guidance note to PMC.</p>
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ERDF Programme Monitoring Committee

Paper 1b : Programme Status Update (Paul John)	Action
<p>25. Paul John presented a Programme status update. For detailed information on this please refer to paper 1b.</p> <p>26. Trudi Elliott asked if the PMC could provide any support to achieving N+2. Paul John confirmed that PMC members could ask their projects to submit claims as soon as possible, and as accurate as possible – if support was needed to complete this then the ERDF team would be willing to assist. Trudi Elliott stated that she would issue a note to the PMC regarding this.</p> <p>27. Paul John confirmed that private sector match was now eligible on ERDF projects and this flexibility was being utilised by several projects already. Paul added that a limited bidding round had been issued for projects which had lost their public sector match, however to date there has been limited take up of this. If there is enough interest a request could be made to extend the closing</p>	<p>4. Trudi Elliott to issue note to PMC regarding assistance with N+2.</p> <p>5. PMC members to alert ERDF Team to potential projects for limited bidding round.</p>

<p>date.</p> <p>28. Norman Price questioned whether a member of the Strategic Health Authority should now be on the PMC membership given the reduction in public sector funding. Trudi Elliott stated this may not be appropriate, and instead suggested that suitable individuals were added to the ERDF mailing lists so that they were aware of all opportunities for grants.</p>	
<p>Paper 2b: Financial Engineering Instruments (Paul John)</p>	<p>Action</p>
<p>29. Paul John presented a paper on the Financial Engineering Instruments developed by the ERDF team. For detailed information on the update please refer to paper 2b.</p> <p>30. As per previously advised, the PMC again noted that the Agency was the final beneficiary in this case and that AWM were in receipt of and had approved funding applications accordingly. The PMC re-iterated their support for this approach. Paul John informed the PMC that a further paper, for information, would be issued to this effect.</p> <p>31. Cllr Adrian Blackshaw asked whether there was a clear exit strategy for the investments. Hanne Hoeck stated that the exit strategy would be individual to each investment, but that as per the regulations no more than 50% could be held by the Agency. Hanne noted that Midven were appointed as the fund managers as they had a very strong track record regarding exits, and the worst forecasts show that there will be better returns provided to the fund than are invested.</p> <p>32. Hanne Hoeck added that none of the funds were sector specific, but they were focused on growth businesses which may restrict some sectors. The funds are operating to a general VCLF model and will continue to invest post the Programme period. To ensure that there is no gap in provision whilst these funds are being set up, the Agency intends that additional ERDF funding be provided to the Access to Finance provision. The PMC approved this approach and accordingly, an amended investment framework will be circulated to PWG2 and the PMC.</p> <p>33. Norman Price stated that these funds were of great benefit to the region, and thanked Hanne Hoeck and the ERDF team for their work in developing these.</p> <p>34. Paul John added that in addition to these new funds, £1.5m ERDF was to be added to the existing Advantage Media</p>	<p>6. Paul John to issue Written Procedure regarding final beneficiary.</p> <p>7. Once altered the revised P2 investment framework will be circulated</p>

<p>Production Fund (AMPF).</p> <p>35. The PMC confirmed they were content with the proposals.</p> <p>36. Trudi Elliott asked that, in the light of their significance impact on N + 2, the PMC is informed once payment had made on the VCLF funds.</p>	<p>8. Paul John to inform PMC once the VCLF funds have been claimed and paid</p>
<p>Paper 3b: ERDF support for businesses providing goods and/or services to private consumers (Paul John)</p>	<p>Action</p>
<p>37. Paul John presented a paper on ERDF support for businesses providing goods and/or services to private consumers. For more detailed information on the update please refer to paper 3b.</p> <p>38. Olwen Dutton stated that this provided an opportunity to link ESF and ERDF activity, particularly around start up businesses. Trudi Elliott requested that this was explored outside of the PMC meeting.</p> <p>39. The PMC agreed with the recommendation made.</p>	<p>9. Olwen Dutton, Peter Long and Paul John to explore links between Programmes</p>
<p>Paper 4b: Changes to Priority 3 Axis (Paul John)</p>	<p>Action</p>
<p>40. Paul John presented a paper on the proposed revisions to Priority 3 Axis. Please see paper 4b for more information.</p> <p>41. The PMC agreed that spend targets should be imposed on the Priority 3 Packages to ensure that money is fully committed and not lost to the region. The PMC also agreed with the changes outlined in the paper under section 2.</p> <p>42. Trudi Elliott asked that PMC members make it clear to Package Owners that when something is classed as ineligible spend they respect this and focus on delivering what is eligible, rather than arguing against the ruling. Only by doing so can Priority 3 assist to reach the N+2 targets imposed.</p> <p>43. The PMC discussed whether the case for an additional Priority 3 Package should be investigated further in the Shropshire, Telford and Wrekin, Herefordshire, and Worcestershire sub-region. Trudi Elliott noted that when the Programme was developed the reasoning behind not including this sub-region was strong, so if it is to be included now a lot of supporting evidence must be provided based on the current economic conditions and need rather than the programme management conditions and the ability to spend, or this will prove a distraction</p>	

<p>from the necessary Priority 3 alterations and delivery.</p> <p>44. The PMC agreed to pursuing this investigation, on the basis of need, but also that agreed that it should be conducted in parallel with the JESSICA feasibility study in order that full; this would report back at the next PMC meeting. The PMC agreed with this proposal, and approved the further investigation of this sub-regional package.</p>	<p>10. Paul John to explore the proposal for a new sub-regional P3 package</p>
<p>Paper 5b: Energy Efficiency Investments in Social Housing (Paul John)</p>	
<p>45. Paul John presented a revised paper Energy Efficiency Investments in Social Housing. Please see paper 5b for more information.</p> <p>46. The PMC approved the paper with the caveat that this should be more explicitly focused on carbon reduction.</p>	
<p>Date of next meeting, AOB and close (Steve Kennett)</p>	<p>Action</p>
<p>47. Norman Price stated that the West Midlands is the most disadvantaged region due to the economic downturn, and expressed concern that not all of the region was eligible for support. Hanne Hoeck stated that the regional aid map only restricts certain types of investments e.g. investment aid, but that the majority of support can be provided across the entire region. The assisted areas are decided at European level every six years with the next date due being 2013.. Trudi Elliott asked for this to be raised with BIS as it was outside of the jurisdiction of the PMC.</p> <p>48. Cllr Paul Atkins stated that he felt the issue in the region was related to sign posting, as a lot of funds were available, but the majority of businesses did not know how to access them. Anna Vinsen stated that a sign posting project using ERDF money was currently being progressed through appraisal for this reason. Trudi Elliott asked that everything possible is done to speed this process.</p> <p>49. Norman Price stated that another problem was the inability of funding to be paid in advance as many businesses could not cash flow themselves to support this. Margaret Lees noted that this issue had been raised with BIS as requested by the PMC previously, who advised that these rules were unlikely to be altered. A note had been issued to the PMC previously regarding this. The PMC requested that BIS were approached</p>	<p>11. Paul John to raise the issue of regional eligibility with BIS</p> <p>12. Margaret Lees to approach BIS again regarding payment in advance.</p>

again.

50. There being no other matters of any other business, Trudi Elliott thanked the PMC members for their attendance and contributions. The next PMC meeting is to be held in February – details to be confirmed.

Minuted by: Emma Smith, AWM