

**Minutes of Priority Working Group 1 of the West Midlands
ERDF Programme 2007-13**

Date 30/10/2007

Venue: Advantage West Midlands, Board Room

Present:

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| Gerald Bennett (CHAIR) | Wolverhampton University |
| Phil Extance | AWM (Director of Innovation) |
| Paul John | AWM (Director of European Programme) |
| Richard Hillier | AWM (ERDF Priority Manager) |
| Professor Stuart Palmer | Warwick Univeristy |
| Dr Pam Waddell | Birmingham University |
| Professor Chris Birch | Staffordshire University |
| Martyn Mangan | AWM (Automotive Cluster Manager) |
| Lis Broome | AWM (Environmental Technologies Cluster) |
| Geoff Fletcher | AWM (Learning & Skills Policy Analyst) |
| Alan Welby | Black Country Consortium |
| Anne Taylor | Transforming Telford |
| Ros Gallagher | University of Keele |
| Regina Duggan | Environment Agency |
| Sharon Newport | CSWP Ltd. |
| Willemijn van Harinxma | AWM (ERDF Programme Coordinator) |

Apologies:

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| Roger Douthwaite | CSWP Ltd. | Deputised by Sharon Newport |
| Ralph Hepworth | AWM (Environmental Technologies Cluster Manager) | Deputised by Lis Broome |
| Mike Watts | AWM (Business Finance Executive) | |

| Agenda Item 1: Welcome and Introductions (Gerald Bennett) | Action |
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| <ol style="list-style-type: none"> 1. Gerald Bennett, University of Wolverhampton and Chair of PWG 1, and Paul John, Director of European Programme, welcomed everyone to the first Priority Working Group 1 (PWG 1) meeting. 2. Members of the group introduced themselves and their role in their respective organisations. | |
| Agenda Item 2: Programme Status Update (Paul John) | Action |
| <ol style="list-style-type: none"> 1. Paul John explained that the PWG 1 is currently meeting in shadow form. The reason being that the Programme Monitoring Committee (PMC) and Priority Working Groups cannot be formally constituted ahead of ERDF Programme approval by the European Commission (EC). However, meeting in shadow form allows for a controlled start. Paul John continued that this first meeting can be viewed as very much an introduction to the ERDF Programme, Priority 1 and the processes and approaches being proposed for managing and delivering the Programme. 2. Paul John confirmed that Gerald Bennett has been asked to chair PWG 1 whilst in shadow form and that if there is consensus amongst PWG 1 for Gerald to continue to chair the group in full form, this will be ratified by the full PMC. 3. Gerald Bennett formally requested if all members were content with the approach to meeting in shadow form and all members agreed. 4. Paul John presented a paper on Programme Status Update. 5. No questions were raised by PWG 1 members on this item. | |
| Agenda Item 3: Partnership Arrangements (Paul John) | Action |
| <ol style="list-style-type: none"> 1. Paul John presented a paper on the proposed partnership arrangements for the ERDF Programme. He explained that the management arrangements had been developed via a two stage regional consultation. He expressed the view that the proposals represented a robust solution in terms of transparency, accountability, alignment and efficiency. 2. A seven strong Programme Management Team is to be established within the Agency, whilst the balance of staff will be aligned within the Agency's finance, IT, publicity and delivery teams. The Agency's Investment Decision Group will be employed to make investment decisions at the project level. 3. Anne Taylor asked for clarification on the process for projects accessing | |

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| <p>both ERDF and Advantage West Midlands (the Agency) Single Programme budget funding. Paul John explained that such projects would follow the existing Agency processes in being developed by Agency Project Sponsors supported by the relevant ERDF Priority Manager to account for ERDF requirements. This would ensure that such projects would be developed, appraised, approved, contracted etc. only once. Paul John continued to explain how projects not seeking Agency Single Programme funding as match for ERDF will come forward via preferred development routes i.e. open bidding, restricted commissioning being used where it is agreed in partnership within the Delivery Plan that this is the most appropriate way to develop and deliver particular portfolios of activity.</p> <p>4. Gerald Bennett explained that there is a challenge for the group in developing the Delivery Plan to focus on regional / collaborative projects rather than a proliferation of many small projects.</p> | |
| <p>Agenda Item 4 – ‘Quick Start’ Proposals (Paul John)</p> | <p>Action</p> |
| <ol style="list-style-type: none"> 1. Paul John presented a paper on ‘Quick Start’ proposals setting out how the Agency’s European Programme Management team will work with the Agency’s Innovation policy lead, internal project sponsors and external partners to identify and help develop projects in progress or in the development pipeline that might be, or are intended to be, eligible for ERDF funding. 2. Gerald Bennett asked for clarification on the process for gathering potential projects ‘out there in the region’ that may fit with the aims of Priority 1 of the ERDF Programme and we may wish to include in the Delivery Plan. 3. Paul John explained that these would be captured via the Delivery Plan and that work is already underway to identify potential schemes. 4. Phil Extance, the Agency’s Director of Innovation, commented on some potential schemes that have already been identified and will fit under each of the portfolios of activity that will feature in the Delivery Plan such as the INDEX Voucher scheme under ‘Stimulating Demand for Innovation’, existing or new Knowledge Transfer Partnerships under ‘Stimulating Knowledge Transfer’ and potential demonstrator projects coming through from the Science City strategy under ‘Building Demonstrators’. 5. Pam Waddell, University of Birmingham, commented on existing and new graduate retention schemes that will fit under the ‘Retaining and Maximising the Value of Skilled People’ portfolio within the Delivery Plan. | |

| Agenda Item 5: Priority 1 Presentation | Action |
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| <ol style="list-style-type: none"> 1. Paul John gave a Powerpoint presentation on Priority 1 which included schematics / diagrams and covered in more detail many of the points raised in the earlier papers presented to PWG 1. 2. Anne Taylor asked if there would be PWG representation on the Investment Decision Group (IDG). Paul John explained that there would not be PWG representation on IDG as this is an internal Agency group focussed on approval of individual projects. The role of PWG 1 is to agree the Delivery Plan for Priority 1 in partnership determining how we will develop and deliver activity under each portfolio and then for the Agency to manage the submission, appraisal and approval of individual projects. 3. Stuart Palmer asked for clarification on the different development routes for projects. Paul John explained the process whereby projects seeking both ERDF and Agency Single Programme budget funding would follow the existing Agency processes of development. Paul John continued that for certain activities it might be agreed that open bidding is the best development route as there could be a number of providers that could deliver the activity or that restricted commissioning might be agreed to be the best route as only a certain number of identifiable providers could deliver the activity. 4. Gerald Bennett explained that the role of the group is to satisfy national and regional strategies and policies in the Delivery Plan. 5. Ros Gallagher, University of Keele, asked whether IDG would assess projects on strategic fit. Paul John stated that IDG would assess strategic fit and this would be in the context of the ERDF Programme and the corresponding Delivery Plan. 6. John Bailey, Aston University, questioned the timescales for getting projects approved by IDG from a 'standing start'. Paul John explained the 'quick start' process and added that there is a careful balance to be made between projects already in development that could gain added value from ERDF funds and brand new proposals. Paul John also commented that the Delivery Plan needs to reflect the whole of Priority 1 and that worst case scenario for IDG approval of a project from a 'standing start' was approximately 6 months. 7. Gerald Bennett explained that the role of the group is to define a good delivery plan to give IDG the best ability to make a decision. 8. Geoff Fletcher, Agency Learning & Skills Policy Analyst, commented that any delays due to issues with projects would occur in the appraisal stage prior to projects reaching IDG. | |

9. Gerald Bennett re-iterated the major contribution PWG 1 would provide in moving projects through to approval by agreeing a well defined delivery plan.
10. Martyn Magnan, Agency Automotive Cluster Manager, asked for clarification on what would be expected at outline and full applications. Paul John explained that fit with the Delivery plan would need to be demonstrated and that a training plan is under construction to roll out appropriate training to Agency Project Sponsor and appraisal staff to account for ERDF requirements.
11. Pam Waddell commented on the difficulties in adding ERDF to existing projects. Paul John agreed, stating that the ERDF requirements in terms of adherence to EC regulations would be no less rigorous for existing projects that could be supplemented with ERDF and pointed out that retrospection as per previous ERDF programmes would not be allowable.
12. Phil Extance asked for clarification on the role of Sub-Regional Groups (SRGs). Paul John stated that the SRGs were established under previous ERDF Programmes and that they have a wider remit than just assisting delivery of the ERDF Programme. Paul John continued that their role going forward on the ERDF Programme is twofold. Firstly, a source of representatives for the PWGs and, secondly, support in developing and bringing forward projects that may contribute to the activities defined within the Delivery Plan.
13. Anne Taylor requested that the partnership diagram from the Powerpoint presentation be augmented with an explanation about what each function does and how the process can be influenced and transparency guaranteed.
14. Pam Waddell requested that the ERDF programme management team structure slide be populated with actual staff names, where known.
15. Stuart Palmer requested that lists of PWG members be made available. Paul John explained that a website specification has been developed and that at programme launch and going forward lists of PMC and PWG members, papers and minutes would be published on the website, but that the lists of members and minutes would be circulated to PWG 1 in the meantime.
16. Geoff Fletcher asked what the timeframe for the Delivery Plan is, whether over 1 year, 3 years or entire ERDF Programme period. Paul John confirmed that a 7 year timeframe is too long a planning horizon and that we would want to see definite detail for the first year and a good degree of detail for years 2 and 3, then if possible and appropriate, mapping out proposed activity beyond.

1. The relevant diagram slides in the Powerpoint presentation to be augmented with requested details and the slides circulated to PWG 1.

2. Lists of PMC and PWG members and contact details to be circulated to PWG 1.

17. Phil Extance continued the Powerpoint presentation detailing the content of Priority 1 which focuses on 5 priority themes of health and medical technologies; energy; advanced materials and nanotechnology; digital media and ICT; and transport technologies (all with an underlying theme of Environmental Sustainability) as adopted by the Innovation Technology Council. Phil Extance also pointed out that activity could be supported outside of these 5 priority themes where appropriate but that the main focus is on the 5 priority themes. Phil Extance continued to explain the 4 portfolios of activity under Priority 1 of Stimulating Business Demand for Innovation; Stimulating Knowledge transfer; Retaining and Maximising the value of Skilled People; and Building Demonstrators.
18. Pam Waddell commented that the duration and higher value of some interventions should be reflected in value for money assessments of outputs and results to be delivered by projects.
19. Stuart Palmer asked if the portfolio allocations were fixed and if there were allocations for the 5 priority themes. Phil Extance responded that there are no indicative allocations for each of the 5 priority themes. Richard Hillier responded that the portfolio allocations were indicative and not fixed and that it is only the overall allocation at Priority level that is fixed. Richard Hillier continued that it would be the role of PWG 1 to determine whether these indicative allocations should be varied as we progress through the ERDF Programme period to account for changes in need and demand.
20. Stuart Palmer asked if there was a capital / revenue split in the funding allocations. Paul John responded that there is no split but the need for ERDF Programme activity to be aligned with the Lisbon Agenda lends itself to a majority of revenue funding support. However, capital funding support is also possible.
21. Gerald Bennett commented that with the general paucity of revenue resources within organisations likely to be delivering activity under Priority 1, the likelihood of ERDF revenue should be welcomed.
22. Chris Birch, Staffordshire University asked for clarification on the possibility of a Priority 1 project operating in a Regeneration Zone being augmented with additional resource from the Zone if required. Gerald Bennett commented that this would be for the Agency to manage. Geoff Fletcher gave the example of a skills project in North Staffordshire where this has occurred. Richard Hillier confirmed that the Agency would follow a similar approach with the ERDF Programme in that where Regeneration Zones, or for that matter Clusters, wished to further augment a Priority 1 project with additional resources from their allocations to deliver more activity to that specific geographic or sectoral area this would be possible and

would be for the Agency to manage the nuances of this.

23. Geoff Fletcher commented on the need for sustainability of operations given that this is likely to be the last ERDF Programme for the West Midlands. Alan Welby agreed that a false economy of grant dependant operations should be avoided and that one of the aims of this ERDF Programme, working alongside broader regional European funding capacity building initiatives, would be to seek to wean applicants off a reliance on Structural Funds and to develop them sufficiently to access other, non-Structural Fund European funding.
24. Paul John explained some of the simplifications of the new ERDF programme compared to previous programmes, including the fact that private sector funding will no longer be recorded as match-funding. Gerald Bennett pointed out the need to source out other sources of public match-funding and not to just rely on agency Single Programme resources as match. This would demonstrate added value.
25. Ros Gallagher asked whether funding from charities is regarded as public or private match-funding given there could be match from charity institutions for health and medical technologies activity. Richard Hillier agreed to investigate and provide a response.
26. In response to Paul John's comments on the wish for regional approaches and collaborations to minimise management overheads Alan Welby commented that regional networks and partnerships do not exist in all sectors and that work would be required to develop these. Gerald Bennett agreed and commented that thought would need to be given by PWG 1 to the mechanisms required to achieve our aims.
27. In response to Paul John's comments on the development approaches Stuart Palmer asked for clarification on the nature of IDG's role in approving projects. Paul John confirmed that IDG would not be expected to screen projects, selecting one over another, and that if this was necessary due to an open call for bids receiving more proposals than could be funded by the available resources, this would be carried out by the ERDF Programme Management Team. Paul John continued that IDG should be expecting to approve projects coming before it as the majority of issues will have been resolved during the selection and appraisal process.

3. Ascertain status of Charity funding contributions and inform PWG 1.

| Agenda Item 7: Next Steps (Gerald Bennett / Paul John) | Action |
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| <p>1. Paul John explained that the Delivery Plan would continue to be developed during November and a working draft circulated to PWG 1 members ahead of the next meeting, hoped for December 2007. PWG 1 will be asked to review and comment and a further refined Delivery Plan would then be presented to the full, formal PWG 1 in January 2007.</p> | |
| Agenda Item 8: Future PWG Meetings and ERDF Programme Launch (Gerald Bennett / Paul John) | Action |
| <p>1. On advice from the Agency's ERDF Programme Management Team, Gerald Bennett confirmed that the next meeting would take place in December 2007.</p> <p>2. Chris Birch requested that, given members hectic diaries, dates for one meeting per month through to March 2008 be established even if these were to be subsequently cancelled if not required.</p> <p>3. Paul John explained that the ERDF Programme launch is planned for January 2008 and that the ERDF Programme Management Team are currently developing the format and approach for this.</p> | <p>4. Dates for one meeting per month through to March 2008 to be established and circulated to PWG 1 members along with minutes of this meeting.</p> |
| Agenda Item 9: AOB and Close | Action |
| <p>1. No AOB was raised.</p> <p>2. Gerald Bennett closed the meeting reminding PWG 1 members of the importance of being advocates of the ERDF Programme and the Priority 1 Delivery Plan, once agreed, and informing relevant groups to ensure that they can effectively engage in delivering the desired activities of Priority 1 of the ERDF Programme.</p> | |

Minuted by: Willemijn van Harinxma, AWM