

**Minutes of Priority Working Group 2 of the West Midlands
ERDF Programme 2007-13**

Date 17/10/2007

Venue: Advantage West Midlands, Board Room

Present:

Richard Hutchins (CHAIR)	AWM (Corporate Director Economic Development)
Paul John	AWM (Director of European Programme)
Patrick Palmer	AWM (Director of Business Support and Enterprise)
Richard Hillier	AWM (ERDF Priority Manager)
Stephen Gray	AWM (Head of Clusters and Manufacturing)
Karen Wright	AWM (Food and Drink Cluster Manager)
Tony Sims	AWM (Business Support Performance Manager)
John Latham	Coventry University Enterprises
Annette Vlachou	UKTI
Everton Williams	Minority Ethnic Business Forum
Kevin Maton	Social Enterprise West Midlands
Elizabeth Hancock	Learning and Skills Council
James Watkins	West Midlands Business Council
Shelley Beckett	Environment Agency
John Reader	Black Country Chamber and Business Link
Martyn Kennedy	Coventry & Warwickshire Chamber
Samantha Hine	Shropshire County Council
Geoff Riley	Staffordshire & Black Country Business Incubation Centre

Apologies:

Simon Drake	Business Link Brokerage	
Doug Mahoney	UKTI	Deputised by Annette Vlachou
Geoff Fletcher	AWM (Learning & Skills Policy Analyst)	
Kishor Pala	Birmingham Chamber of Commerce	

Agenda Item 1: Welcome and Introductions (Richard Hutchins)	Action
<ol style="list-style-type: none"> 1. Richard Hutchins, Corporate Director of Economic Development at Advantage West Midlands (the Agency) and Chair of PWG 2, and Paul John, Director of European Programme, welcomed everyone to the first Priority Working Group 2 (PWG 2) 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 2 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 2 and the processes and approaches being proposed for managing and delivering the Programme. 2. Paul John confirmed that the Enterprise Board were approached to chair the group but could not field a candidate so Richard Hutchins has been asked to chair PWG 2 whilst in shadow form as his directorate is responsible for secretariat support to the Enterprise Board. If there is consensus amongst PWG 2 for Richard to continue to chair the group in full form, this will be ratified by the full PMC. 3. Paul John presented a paper on Programme Status Update. 4. No questions were raised by PWG 2 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. John Latham, Coventry University Enterprises, raised two particular issues that he felt the group should not lose sight of. Firstly, that this is not a Programme in isolation and wherever possible we should be looking to match the ERDF Programme with resources from other regional and national programmes. Secondly, given that this is likely to be the last ERDF Programme for the West Midlands, a key priority of this ERDF Programme is to work alongside broader regional European funding capacity building initiatives, to seek to wean applicants off a reliance on Structural Funds and to develop them sufficiently to access other, non-Structural Fund European funding. In particular close involvement with and dissemination of activities within Priority 4 of the ERDF Programme (Developing Inter-regional Activity) and the recently approved EU Connects project should be maximised. John Latham continued with a suggestion that the 3 PWGs should come together as one joint PWG periodically to ensure we maximise cross-priority working.
4. Geoff Riley, Staffordshire and Black Country BIC, commented that the Staffordshire SRG have adopted a similar approach with the Staffordshire SRG members of each PWG coming together for overview meetings.
5. Martyn Kennedy, Coventry & Warwickshire Chamber asked about SRGs and their role going forward. 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.
6. Kevin Maton, Social Enterprise West Midlands, queried how the ERDF Programme, specifically Priority 2, would fit with the ESF Programme. Paul John responded by stating that there is a joint ERDF / ESF Programme Monitoring Committee which should provide a strategic steer for linking both programmes. Paul John also pointed out that there was limited complementarity between the ERDF and ESF Programmes given the ERDF Programmes focus on higher level innovation and knowledge transfer and the ESF Programme's limited resources for higher level skills, with the focus being on lower level skills and worklessness. Paul John also explained how the ERDF and ESF Programmes would be governed and delivered differently and indicated that there would be a challenge to align the 2 Programmes where possible and this would need to be achieved by regional governance arrangements.
7. Everton Williams asked what standards would be used to ensure projects were developed and delivered effectively. Paul John explained that the Agency standards for developing and delivering

<p>projects would be used for the ERDF Programme, suitably augmented to account for specific and additional ERDF requirements.</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 Enterprise and Access to Finance policy leads, 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. Geoff Riley commented that he agreed with the proposed process given historic experience of the lead-in times in developing project applications. John Latham agreed, stating that we must avoid losing the skills base that has been developed within organisations that have delivered successful projects under previous ERDF Programmes. 3. Martyn Kennedy asked about stimulating enterprise in deprived areas. 4. Kevin Maton commented that, given this is likely to be the last ERDF Programme for the West Midlands, 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. John Latham commented that there were good examples this in other regions and that these should be explored. 	
<p>Agenda Item 5: Priority 2 Presentation (Paul John / Richard Hillier)</p>	<p>Action</p>
<ol style="list-style-type: none"> 1. Paul John and Richard Hillier gave a Powerpoint presentation on Priority 2 which included schematics / diagrams and covered in more detail many of the points raised in the earlier papers presented to PWG 2. 2. Kevin Maton stated that the Social Enterprise Network should not be ‘pigeon-holed’ into specific categories of activity within the Priority and should be able to deliver under all of the categories of activity. 3. Paul John explained the content of Priority 2 and its alignment to the national business support simplification model, which the EC appreciates, but that we must be able to demonstrate added value where we supplement activity with ERDF funds. Paul John continued to explain the alignment of outputs with the Agency’s Tasking Framework (wherever possible) and explained the changes 	

<p>to match-funding arrangements in that the eligible expenditure contained in the ERDF Programme financial tables will now consist of 50% ERDF and 50% other public funding. Any private match will now be recorded as an output of private sector leverage.</p> <p>4. Kevin Maton commented that the output targets appeared modest. Paul John explained that the ex-ante evaluation had also suggested this and that the EC had questioned this during the negotiations. The rationale for the lower target values is that we will be seeking robust evidence of their achievement. There is also a stringent value for money assessment conducted during the appraisal process.</p>	
<p>Agenda Item 6: Next Steps (Richard Hutchins / Paul John)</p>	<p>Action</p>
<p>1. Paul John explained that the Delivery Plan would continue to be developed during November and a working draft circulated to PWG 2 members ahead of the next meeting, hoped for December 2007. PWG 2 will be asked to review and comment and a further refined Delivery Plan would then be presented to the full, formal PWG 2 in January 2007.</p>	
<p>Agenda Item 8: Future PWG Meetings and ERDF Programme Launch (Gerald Bennett / Paul John)</p>	<p>Action</p>
<p>1. On advice from the Agency's ERDF Programme Management Team, Richard Hutchins confirmed that the next meeting would take place on 12th December 2007 and that the group would be e-mailed for an am or pm preference. Future meeting dates will also be scoped out and PWG 2 members informed.</p> <p>2. 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 2 members along with minutes of this meeting.</p>
<p>Agenda Item 9: AOB and Close</p>	<p>Action</p>
<p>1. No AOB was raised.</p> <p>2. Richard Hutchins thanked PWG 2 members for attending and closed the meeting.</p>	

Minuted by: Willemijn van Harinxma, AWM