



Highlands and Islands Convergence Programmes 2007-2013

PROGRAMME MONITORING COMMITTEE



**Tuesday 22nd January 2008
Royal Marine Hotel, Dunoon**

Present

Dr John Rigg	Scottish Government
Cllr Sandy Park	The Highland Council
Cllr Alex MacDonald	Comhairle nan Eilean Siar
Cllr Dick Walsh	Argyll & Bute Council
Mr Stuart Black	Highlands and Islands Enterprise
Mr John Ferguson	Scottish Council for Voluntary Organisations
Mr Stephen Boyd	Scottish Trade Union Congress
Mrs Linda Stewart	UHI Millennium Institute
Ms Lynn Hamilton	VisitScotland
Mr Iain Duff	Scottish Council for Development & Industry
Ms Morag Redwood	H&I Equality Forum

European Commission

Ms Annick Villarosa	DG Regional Policy
Mr Marc Vermyle	DG Employment

In Attendance

Mr Jim Millard	Scottish Government
Mr Dennis Malone	HIPP - Intermediate Administration Body
Ms Lorna Gregson-Macleod	HIPP - Intermediate Administration Body
Mr Donald Mackenzie	HIPP - Intermediate Administration Body
Ms Melissa Mackin	Scottish Government
Ms Billie McLean	Scottish Government

CONVENORS WELCOME AND INTRODUCTION

1. The Convenor welcomed members to the second meeting of the Monitoring Committee, with particular reference to Stephen Boyd (STUC) attending his first meeting. He also thanked Councillor Walsh, Argyll & Bute Council, for hosting the meeting and for dinner the previous evening.
2. The Convenor thanked members for their patience in establishing a revised date for the meeting and explained that the financial front loading of the Programme demanded early decisions that secured early commitment and spend on projects.





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APOLOGIES

3. Apologies were received from:

- Cllr Stephen Hagan Orkney Islands Council
- Mr William Roe Highlands and Islands Enterprise
- Cllr Alistair Cooper Shetland Islands Council
- Ms Susan Davies Scottish Natural Heritage
- Mrs Rosemary Thompson The North Highland College

MINUTE OF PREVIOUS MEETING

4. The minute of the previous meeting, 25th September 2007, was agreed as a correct record.

MATTERS ARISING

5. The following matters were raised:

- Para 8.2: Transitional Programme Monitoring Committee
Mr Millard confirmed that a date for a meeting of the Transitional Programme Monitoring Committee is being trawled for, for the first half of 2008. The agenda will include the AIR and N+2 decommitment for EAGGF.
- Para 9.4: Advisory Groups
Mr Malone confirmed that the final composition of Groups had been circulated to members by written procedure.
- Para 9.9: Declaration of Interest
Position clarified by Advisory Group Convenor prior to each meeting.
- Para 10.8: Community Planning Partnerships
Mr Malone confirmed that discussions had taken place in October but that the alignment between the Scottish Rural Development Programme/LEADER and CPPs and where this fits with the respective ERDF and ESF Programmes remained unclear.

In response to a query from John Ferguson, Mr Millard confirmed that the competitive process would kick-off in parallel with submission of CPP proposals in late Spring but acknowledged there may be delays due to limited readiness of all the necessary components for a viable CPP bid.

- Para 10.11: Organigram
Completed, to be taken under item 7 on agenda.
- Para 11.1/11.2: Scoring Systems
Mr Malone confirmed that the amendment has been made and implemented in current round.





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- (vii) Para 14: Access to Full Applications
Mr Malone confirmed that access to the new system is built into the design. He indicated that a full set of ESF applications had been issued on request to one Committee member last week.
- (viii) Para 19: Communications Plan
Mr Millard confirmed this had been done. Mr Vermyle advised that any such documentation requires to be submitted to the Commission on the CCI database. Mr Millard agreed to re-issue. **J Millard**
- (ix) Para 24: TA to support CPP's
Mr Millard stated that he was still reflecting on this matter and whether there needed to be distinction between "support for the programme" or "supporting a project". Whatever, the conclusion will have to be consistent with the National Rules. **J Millard**
- (x) Para 29: Electronic Issue of Papers
Mr Malone confirmed that electronic copies of the papers had been issued as requested.

Context

6. Dr Rigg updated members on the Shadow Round, adding that an internal audit had been undertaken on the process. Conclusions were largely positive and some helpful suggestions had been made to be incorporated into future rounds.
7. In response to a question from Ms Villarosa, Mr Millard explained that in Highlands & Islands, only one CPP bid per local authority area was anticipated, largely from ERDF, and comprising details of a range of eligible projects. The "Plan" would be appraised by the Advisory Group and thereafter individual project sponsors would bring forward applications when ready.
8. Cllr Walsh reminded members of the need to avoid potential duplication between CPP bids and the Challenge bids.

(Interim) Monitoring Committee (HI/PMC/07-13/017)

9. Mr Millard confirmed the need to formally approve previous "decisions in principle" made by the Committee at its meeting in September 2007. Having detailed the decisions and having acknowledged the written procedure exercise of December 2007, the Committee approved all decisions of the previous meeting.

Programme Delivery Arrangements (HI/PMC/07-13/018)

10. Mr Malone's short presentation demonstrated how the various delivery arrangements fit together and what allocations were available for each component. He also highlighted the differing decision making procedures.
11. Members noted the report.





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Strategic Delivery Bodies (HI/PMC/07-13/019)

12. Mr Millard explained that given the scale of the proposed allocation in support of the SDBs – HIE and UHI Millennium Institute – the decision to approve falls to the Monitoring Committee. In order to facilitate this process each SDB was being asked to present their proposals. In addition, the applications and technical comments from the IAB were attached.

12.1 **HIE: Presentation by Stuart Black**

Nine areas of activity highlighted which ERDF is needed to support. Following questions Mr Black confirmed:

- That HIE would be the final beneficiary of grant;
- That advice would not be generic but developmental in support of businesses of scale;
- That generic advice would be provided through Business Gateway; and
- That support for HISEZ would be monitored to avoid duplication.

Dr Rigg also confirmed that HIE would be required to meet its spend profile in order to assist the N+2 position.

Ms Villarosa stressed the requirement on all applicants to report to the Scottish Government on any intended sale and use of buildings sold on.

12.2 **UHI Millennium Institute: Presentation by Linda Stewart**

Three areas of activity highlighted under ERDF and five under ESF.

Mrs Stewart acknowledged the need to discuss further matters of eligibility. Having heard the report Mr Vermyle expressed concern over the relatively high percentage of support being allocated for curriculum development. He explained that ESF was employment driven and that curriculum development was borderline activity.

While the Commission had knowingly approved this provision in the Operational Programme the current allocation in support of this activity should not increase.

Ms Villarosa also indicated that residential accommodation was not eligible and should not be supported.

Mrs Stewart also confirmed that UHI Millennium Institute would be the final beneficiary.

13. Ms Villarosa requested clarification on the use of TA. Mr Millard confirmed that given the limited availability of TA priority was given to Programme administration and evaluation. Any work associated with the delivery of projects would be funded out of the project. He agreed to reflect on any other potential use of TA. **J Millard**
14. Having heard the presentations and discussion the Committee approved the SDB applications in principle and invited the Advisory Group Convenor/IAB to address matters of detail and ensure consistency with the Terms of Reference of the Advisory Groups and report thereafter by written procedure. **J Millard /IAB**





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Strategic Issues (HI/PMC/07-13/020)

15. Dr Rigg reminded members of the Committee of their role in ensuring a strategic perspective to the programmes. He requested declarations of interest, where appropriate, though he was content for members to contribute to the discussion on any of the projects. When speaking on individual projects with which they were familiar, members should restrict themselves to points of information and avoid lobbying or advocacy.
16. Mr Millard explained that in considering projects the Advisory Groups highlighted a number of issues where the Committee's position needs to be established. Following discussion the following was agreed:
- (i) **Marinas** continue to be low priority due to lack of direct employment impact. "Small scale" developments, where these contribute directly to the regeneration of a local community, could be considered as part of a CPP bid.
 - (ii) **Community Halls:** no blanket exclusions but ERDF to be available to support only those elements that relate to training/learning and flexible space which is not allocated for specific/routine use.
 - (iii) **Sports Facilities:** continue to be low priority. Little direct employment impact.
 - (iv) **Roads Projects:** continue to be eligible but only where there is evidence of:
 - (a) crucial issue of access to remote communities; and
 - (b) appropriateness of scale – given that the Priority was not designed for and cannot sustain significant infrastructure projects when a range of targets require to be met.

Members invited Mr Millard and the Programme Director to work up a paper to reflect the foregoing, for clearance by the Committee by written procedure, that will provide definitive guidance to applicants and Advisory Groups.

**J Millard/
D Malone**

17. The final point in the report related to the quality and volume of ESF applications. Members recognised some of the difficulties currently being experienced by applicants and agreed that a series of workshops was required to address issues of both volume and quality.
18. Ms Redwood raised concerns over the limited response in many applications to Equal Opportunities – and how this reflected policy and not implementation.
19. Dr Rigg confirmed that where such issues had been highlighted the IAB had already gone back to project sponsors. Time restrictions had prevented the received applications from being presented. On this matter the IAB will ensure compliance prior to the issue of any grant offer.

IAB





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Advisory Group Recommendations (HI/PMC/07-13/0021)

20. Mr Millard introduced the item in his capacity as Convenor of the Advisory Groups. He confirmed the quality of assessment applied by the Groups. He acknowledged the challenges given to the IAB in getting back to numerous applicants, given the necessarily tight timescale of the round.
21. Ms Villarosa expressed surprise over the reference to lack of quality in respect of a number of applications which were then recommended for approval.
22. In response Ms Gregson-MacLeod indicated that due to the shortened time available in the round, the IAB had gone back to the applicant and requested amendments to their applications. Since most of these were unable to respond prior to the issue of papers, the original views of the AG's featured in the project summaries. However, projects had not been recommended for approval unless concerns raised in the appraisals had been addressed.
23. Ms Villarosa also pointed to an apparent lack of clarity between what may be funded under UHI SDB and what might be delivered under the challenge bidding.
24. In respect of the recommendations on projects, the following issues were raised:
 - (i) in response to a query from Ms Villarosa, the Convenor confirmed that the VisitScotland application would not be operated on the basis of a global grant;
 - (ii) in response to concerns over the efficacy of the process, John Ferguson requested clarification in respect of SCVO's Positive Steps to Employment Project. Mr Mackenzie confirmed that Jobcentre Plus had confirmed that most of the activity proposed was covered by the New Deal Contract potentially limiting additionality and that SG would be exploring this in more detail with DWP;
 - (iii) in respect of New Start Highland, following an intervention from Linda Stewart, it was acknowledged that the project merited one year support – the recommendation being overturned; and
 - (iv) in respect of the application for the Western Isles Roads project, it was agreed to support in principle (allowing the project to proceed) with a final grant figure to be determined following consideration of a report by the Monitoring Committee from Mr Millard/Mr Malone.
25. Thereafter, the Committee approved the remaining recommendations thereby committing approximately £5.75m of ERDF and £2.6m of ESF. In addition the Convenor confirmed that applicants had the right to re-apply and specifically in this regard requested the IAB liaise with the STUC over a future submission.
26. Mr Millard confirmed that in respect of the eligibility of training under ESF of food/forestry, discussion had taken place that should allow an amendment to the Operational Programme. Current applications to proceed on that basis.

J Millard

IAB



INVESTOR IN PEOPLE



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27. Mr Millard referred to representations from Highlands & Islands European Partnership regarding the development of a role in the assessment process of a "Programme Review Group". He confirmed that PRG would be the sounding board for the next (truncated) round and that the Scottish Government would consider the position thereafter.
28. Members agreed this was a sensible way forward and would help to aid effective Partnership.

Bidding Rounds (HI/PMC/07-13/0022)

29. Having heard Mr Malone on the proposals for the Bidding Cycle and meeting schedule for 2008/09, the Committee agreed the arrangements presented.

A.O.C.B.

30. Dr Rigg indicated that the European Commission consultation on the future of Cohesion Policy post 2013 was due to close at the end of January. The UK Government's proposed response was not particularly controversial. A separate Scottish Government submission would be made stressing the importance of 'regional' cohesion.
31. John Ferguson requested the provision of regular information on the profile of spend on the Programme for N+2 purposes. Dr Rigg agreed.
32. Mr Millard confirmed that the day's proceedings, when minuted, would be subject to FOI.
33. Dr Rigg confirmed the departure of two colleagues – Donald Mackenzie from the IAB and Annick Villarosa from the Commission transferring to External Relations with a posting in Fiji. He expressed his thanks and best wishes to both.

Date of Next Meeting

34. The date of the next meeting of the 07-13 Monitoring Committee is:

Wednesday 4th June
Location: Lerwick (hosted by Shetland Islands Council)
Time: 09.30 hours

