

# COMPETITIVENESS & EMPLOYMENT MONITORING COMMITTEE

## MINUTES OF MEETING – TUESDAY 11 MAY 2010

### CEDAR FOUNDATION

#### **Attendance**

A list of attendees is attached at Annex A. Apologies were received from John Doran (Business), Oliver McMullan (Local Government) and Wesley Aston (Agri-Rural).

#### **1. Introduction**

**The Chair** welcomed everyone to the sixth meeting of the Committee and introduced himself having recently taken over the position from Bill Pauley. He thanked Bill for all his hard work over the previous 8 years and recognised the vast knowledge he had built up over that period.

He expressed his thanks to the Cedar Foundation for providing the facilities and hosting the meeting. He also welcomed June Ingram (DEL) to her first Monitoring Committee meeting having taken over the duties from Trevor Connolly, thanking Trevor for his valuable contribution over the previous 4 years, and also to Seamus McAleavey who has temporarily assumed the member role for the Voluntary & Community Sector.

**The Chair** advised that there was 1 item under AOB, an update paper on future funding, and enquired if there were any other items to be tabled.

**The DG Regio Rep** advised that the Structural Funds General Regulation, is currently being amended. The de-commitment rule will be changed and this will have an effect on the 2010 N+2 targets for the ERDF and ESF Programmes.

## **2. Minutes from meeting 22 October 2009**

**The Chair** noted that the minutes from the previous meeting had been circulated on 5 November. There were a number of suggested amendments from the DETI Managing Authority, tracked on the revised version, which Members have had the opportunity to read. As there were no further comments the minutes were taken as an accurate record and noted as agreed.

## **3. Action points from 22 October 2009**

**The Chair** advised that an updated table of the Action Points had been circulated to members with the papers on 20 April. He noted all actions had been addressed.

## **4. Presentation by Cedar Foundation**

Stephen Mathews, Chief Executive of the Cedar Foundation, gave a presentation on their ESF project and answered questions from the committee. A copy of the presentation will be forwarded to all Members.

**Action: Secretariat**

## **5. Progress Reports**

### **5.1 ERDF Programme**

**The DETI Rep** advised Members that he would highlight the key aspects of progress within the programme including a presentation on a new project that has come into the programme via the broadband aspect of the programme.

Most aspects of the programme are progressing well in terms of the overall designation (projects earmarked for inclusion). Figures have been produced on a £1:€1.1 basis however on a £1:€1.25 basis then the programme is 88% designated.

With regard to commitment €174m, up to March 2010, has been committed through actual grants awards. Actual spend to the end of March 2010 is €68m approx.

DETI, in 2009, met its N+2 target and on current forecast the 2010 target should be met regardless if a relaxation of the target is forthcoming from the Commission.

**Priority 1** – largely delivered by Invest NI. Such is the demand for new innovative support there is potential to include more projects than what was resourced.

**Priority 2** – The ‘Go for It’ advertising campaign continues to stimulate people to start up their own business. The progress of the Local Economic Development measure is disappointing, only €2.74m committed from a designated €50m. DETI has been proactive in meeting with Local Councils on a 1 – 1 basis and in groupings to move this forward. The current uncertainty around RPA may mean that Councils are unwilling to commit to long-term projects although there have been plenty of high volume, low cost projects being brought forward. Councils have been asked to look at their forecasts for the next 2 – 3 years. Additionally, the Managing Authority is working with Invest NI to also look at areas where the activities of Local Economic Development could be aligned with the role of Invest NI. A mini review of this measure is being undertaken and DETI hope to be in a position to report back to the Monitoring Committee at the next meeting. **Action: DETI MA**

**Priority 3** – Real progress in relation to designation with the introduction of the Next Generation Broadband project. Alberta Pauley from the Telecoms Policy Unit gave a presentation on the objectives of the project. The presentation will be issued to Members. **Action: Secretariat**

**General** - Under Information and publicity activity - a new website is forthcoming dedicated to the programme to facilitate accessibility and content control. DETI indicated that it was recognised that the current programme

indicators do not appropriately reflect the on-going activities and achievements and that these will be looked at formally within the mid-term evaluation.

In conclusion DETI is:

- Taking a stock take of designation levels over the next month;
- Carrying out a mini review of the LED measure to enhance activity; and
- Beginning preparation for the mid-term evaluation.

**The Local Government Rep** asked if the LED officers had liaised with NILGA officers to identify larger projects.

**The DETI LED Rep** confirmed that discussions have taken place with NILGA and representatives from each of the 26 Councils over the past 3 weeks with a view to identifying potential projects and any particular barriers.

**The Voluntary & Community Rep** enquired if N+2 would become an issue if projects were not identified.

**The DETI MA Rep** advised that there was no immediate issue and that in the overall programme LED was a relatively small component however decisions will have to be made if there is a likelihood the €50m will not be spent in this area.

**The Environmental Rep** advised that the Strategic Environment Assessment (SEA) indicates that programme evaluations will consider the impact of the programme with regard to the Sustainable Development cross cutting theme and offered the services of the Environmental Working Group, during evaluation, to identifying suitable indicators and avoid duplication of work.

## **5.2 ESF Programme**

**The DEL MA Rep** set out the key facts in the Employment Programme.

**Priority 1** – currently 73 active projects. Annex A of the report sets out the performance against indicators and the target number of 45,000 participants may be exceeded.

**Priority 2** – Apprenticeships NI generated €4.25m ESF towards the N+2 2009 target. Annex B of the report sets out the performance indicators and overall there is good steady progress within the programme.

The N+2 target for 2009 was met and DEL is optimistic about attaining the original 2010 target.

The 'Training for Success' initiative application was received, independently assessed, and deemed successful and DEL is now considering the best way to incorporate the initiative into the ESF programme.

**Priority 3** – the report highlights the work being carried out by the Support Structure in relation to transnational activity, training in relation to the Rickter Scale and support projects in innovation and sustainable development.

The overall amount of ESF committed is £53.3m approx with Priority 1 reflecting an increased level in project activity.

**Information and Publicity** - In December 2009 the Managing Authority published '*Making a Difference in Life*' outlining some of the views and experiences of individuals, which has brought to life a lot of the good work of the programme and more publicity events are planned for 2010, e.g. roadshows in time for the next funding call, information stands, etc.

The 2008 AIR was deemed acceptable by the Commission in November 2009 and the 2008 Annual Examination Meeting took place in March this year.

**The DG Employ Rep** offered the following opinions:

- 1) whilst welcoming the inclusion of indicators within the report he proposed that an explanation be included on underperforming

indicators and how this will be rectified, e.g. on the number of NEET participants;

- 2) he confirmed that it was wise for DEL to stick to attaining to meet its original N+2 targets; and
- 3) on control checks and irregularities the unqualified opinion of the Audit Authority was accepted by the Commission however, for the next report there should be more audit activity within the report.

On point 1 **the DEL MA Rep** agreed with the remark and advised that the Managing Authority will be investigating further what information is being captured however the indicators will be reviewed during the mid-term evaluation.

**The Education Rep** asked:

- 1) under the Apprenticeships NI programme, has any thought been given to the pressures around employers being able to provide apprenticeship places and if this has an impact on targets; and
- 2) as colleges and training providers have an unprecedented demand for places from school leavers who cannot obtain employment and from people requiring reskilling was there any thoughts around enhancing existing training schemes or new schemes to meet demand.

On the first point **the DEL Rep** advised that, due to the economic downturn the Department realised there was a decrease in the uptake of places around the Apprenticeships NI scheme and therefore introduced programme led apprenticeships under 'Training for Success,' which the Department hopes will redress the balance of uptake in the Apprenticeships NI scheme.

On the second point the Department believes there is enough flexibility in the 'Training for Success' scheme to include people who need reskilling to avail of the necessary training to gain employment.

In concluding **The Chair** asked members to note the progress to date.

## **6. Annual Implementation Reports (AIRs) & Annual Control Reports (ACR) for 2009**

**The Chair** advised Members that the both the ERDF and ESF ACRs were accepted by the Commission. He advised that initial comments would be taken today on the AIRs however Members would have a further 2 weeks to provide further comment to the Secretariat prior to final versions being issued to Members for approval via correspondence. **Action: Members**

### **6.1 ERDF AIR**

DETI had nothing further to add on the AIR but opened it up for comment and questions. **The DG Regio Rep** commented:

- 1) That the indicators on pages 2&3 were the same as those included in chapter 3 and as advised at the Annual Examination Meeting these should be removed;
- 2) The Communication Plan should be included within the AIR; and
- 3) The report, in its current guise, is admissible but qualitative comments will be provided to DETI in the next 2 weeks.

On Page 3 of the report there is a target figure of 3,500 start-ups of which 47% should be women, however there is a nil figure stipulated. **The Local Government Rep** enquired why this was so.

**The DETI MA Rep** advised this was the 'Enterprise Development Programme' run by Invest NI and, at present, although this programme is running it is not being EU funded.

**The Local Government Rep** commented further that the report indicates the delay in introducing RPA may be a factor.

**The DETI MA Rep** replied that this is an issue, in that under RPA arrangements, various local economic development activities are earmarked to come under the control of Councils. If Invest NI were to part finance this programme using EU funds (50%) then the value of the money available to

Councils on handover would reduce by 50%. Therefore it was decided not to include the programme for ERDF funding to allow Councils to claim the additional 50% funding when it moved to them.

## **6.2 ESF AIR**

**The DEL Rep** invited comments from the Members.

**The DG Employ Rep** advised that the Commission would expect to see, under paragraph 2.6, Monitoring Arrangements, facts and figures around Article 13.

## **7. Working Groups Reports**

**The Chair** advised Members to note the report and asked the individual Chairs if they wished to comment further.

The **Environmental WG Chair** advised that there are currently 3 areas of work on-going, the main area being the Development Path Analysis (DPA) consultancy report. The report is waiting to be finalised with a date to be arranged for the last week in May. He confirmed there was a high misclassification of projects with projects being more generously classified than they should be. Revised guidance will be issued as part of the remit of the contract. It is anticipated that this report will be issued across all the EU programmes and the DG Environ Desk Officer will take feedback to the Commission.

The Chair confirmed that a sub-group, within the EnvWG will be set-up to look at SEA monitoring.

The **Equality WG Chair** advised that there was a 46% response rate to the recent Equality Audit survey. This may be revisited in early 2011. The Chair enquired if the equality cross-cutting theme could be linked into the evaluation reports and as recent meetings of the group were not quorate he encouraged members, or their deputies, to do their best to attend.

**The Evaluation Chair** advised that work was on-going under difficult circumstances due to staff movements.

**The Innovation & Mainstreaming Chair** reported that the group had not met recently however work via Proteus was on-going with projects that have an innovation and transnational activity.

**The NISRA Rep** advised, in relation to the Evaluation Working Group report, that there are 2 studies within ESF, transnationality and soft outcomes. Transnationality may be finalised by the end of May and the demarcation exercise by the end of June. The Terms of Reference (TOR) for the mid-term evaluations is also expected to be finalised by the end of June.

The **DG Regio Rep** asked for more information on the timings of the mid-term evaluations.

**The DETI Rep** advised that indicative timings were; agreement of the TOR over the summer; procurement process commencing around September; with a report around December and bringing the report findings to the Spring 2011 Monitoring Committee.

The Monitoring Committee approved the reports from the Working Groups.

## **8. Communication Plan Report 2009**

**The Environmental Rep**, in relation to Broadband, said that individuals were being locked into contracts and he felt there was a need to ensure there was sufficient publicity surrounding broadband to allow businesses to make informed decisions. **The DETI Rep** noted the concerns and would advise Telecoms Branch accordingly.

**The DG Regio Rep** advised that the possibility of a second annual publicity event had been discussed at the ERDF Annual Examination Meeting and asked for an update on the event.

**The DETI Rep** replied that the Managing Authority has been working closely with Invest NI to identify an event to meet their business need. Due to the financial climate no event has yet been identified but they are open to suggestions.

The Committee approved the report.

## **9. AOB**

### **9.1 Future Funding – Post 2013**

An information paper was provided by the Member State and the Chair invited the DG Regio/Employ Reps to add further comment. **The DG Regio Rep** said that the new Commissioner has set up new internal working groups, within DG Regio, to look at aspects of the policy, e.g. content and strategic thrust of future policy and what steps can be taken to simplify delivery. He further advised that a number of events will take place to discuss simplification. The 2000-2006 Objective 1 & 2 programmes have been evaluated with some positive results in terms of job creation and value added for Business and this bodes well for continuing a competitiveness strand post 2013. Any future for Structural Funds will concentrate on Business, Innovation, Environment and ESF type activity. For further information on future funding there are a number of reports on the DG Regio website.

When the finance position has been agreed by the Commission the **DG Regio Rep** would be happy to deliver a powerpoint presentation to the Monitoring Committee on the way forward. **Action: DG Regio Rep**

**The DG Employ Rep** advised that an ESF Working Group has been commissioned to look at the future of the ESF Framework, which will meet on a regular basis and he invited members of the Monitoring Committee to join the group at the next meeting in June to discuss the NI view.

**The Environmental Rep** asked for an electronic copy of the paper to be forwarded to Members and enquired if there would be any difficulties in obtaining the necessary funding to ensure that all evaluations can be delivered.

**Action: DFP**

**The DETI Rep** replied that a number of the evaluations are a regulatory requirement and need to be carried out, however by using EU funding through Technical Assistance means it may not necessarily be as difficult to fund as a mainstream evaluation. He did agree that it may be useful for the Evaluation Working Group to have a timetable of the evaluations required over the next few years.

#### TABLE OF ACTION POINTS

<b>Issue</b>	<b>Action</b>	<b>Responsibility</b>
Cedar Presentation	Presentation to be forwarded to Members	DFP
Progress Reports	DETI to report back on the Mini Review of the ERDF LED priority	DETI MA
Next Generation Broadband	Presentation to be forwarded to Members	DFP
AIRs	Members comments to the Secretariat no later than 28 May.	Members
Future Funding	DG Regio to deliver a presentation on the Commission's agreed way forward.	DG Regio Rep
Future Funding	Paper to be issued to Members	DFP

**ATTENDEES AT THE COMPETITIVENESS AND EMPLOYMENT  
MONITORING COMMITTEE MEETING AT CEDAR  
TUESDAY 11 MAY 2010**

**Members**

Brian McClure	Chairperson
Peter Millen	Member State
Paul Brush	DETI Managing Authority
Maeve Hamilton	DETI Managing Authority
Paul Carr	DETI Managing Authority
June Ingram	DEL Managing Authority
Frances O'Hara	DEL Managing Authority
Rosemary Mulholland	DEL Certifying Authority
Seamus McAleavey	Voluntary & Community
Maurice Mulvenna	Research (University of Ulster, Jordanstown)
Richard Millen	Research (Queens University, Belfast)
John D'Arcy	Education Sector
Tom Gillen	ICTU
Arnold Hatch	Local Government
Cathal Mullaghan	Local Government
Peter Archdale	Environment
Bob Collins	Equality

## **Advisors**

Gerard Colgan	NISRA
Charles Hamilton	Invest NI
Stephen Langley	European Commission (DG Regio)
Marc Vermyle	European Commission (DG Employ)
Sarah Reid	SEUPB
Bernard McClure	DOE
Andy Best	NITB
Kevin Murphy	DARD
Jackie Connolly	Audit Authority

## **Observers**

Ken Bishop	NILGA
Carol Caves	DETI
Alberta Pauley	DETI
Maurice Maxwell	EC Office

## **Apologies**

John Doran	Business
Oliver McMullan	Local Government
Wesley Aston	Agri-Rural