

COMPETITIVENESS & EMPLOYMENT MONITORING COMMITTEE

AGREED MINUTES OF MEETING – THURSDAY 28 OCTOBER 2010

DUNGANNON & SOUTH TYRONE BOROUGH COUNCIL

Attendance

A list of attendees is attached at Annex A. Apologies were received from June Ingram (DEL MA) Maurice Mulvenna (Research), Jonathan Wallace (Research), Richard Millen (Research), Tom Gillen (ICTU) and Bob Collins (Equality).

1. Welcome

The Chair welcomed everyone to the meeting of the Monitoring Committee. The Deputy Mayor, Pat Daly, of Dungannon & South Tyrone Borough Council formally welcomed the Committee to Dungannon.

The Chair expressed his thanks to Dungannon Council for providing the facilities and hosting the meeting. Since the last meeting both John D'Arcy (Education) and Seamus McAleavey (Voluntary & Community) have resigned from the Committee. **The Chair** thanked both members for their contributions and welcomed Seamus' replacement Colin Devine (North West Community Network). **The Chair** also sent best wishes, on behalf of the Committee, to Tom Gillen for a speedy recovery.

2. Minutes of previous meeting 11 May 2010

The Chair noted that the minutes from the previous meeting had been circulated on 19 May. 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 11 May 2010

The Chair advised that an updated table of the Action Points had been circulated to members with the papers on 07 October. He noted all actions had been addressed.

4. Presentation - Vinny Beggs

Vinny Beggs, Enterprise Investment & Grants Manager for the Council gave a presentation on current ERDF LED projects and answered questions from the Committee.

5. Progress Reports

5.1 ERDF Programme

The DETI Rep outlined the key facts contained within the Progress Report.

As of the end of September 88% of the Programme had been designated, with €223m committed and €100m of expenditure on the Systems 2007 database. A further €15m of expenditure is currently being checked by DETI prior to database entry.

Four new Priority 3 designations have been made since the last Monitoring Committee meeting and are outlined in the report. The rep also drew member's attention to the inclusion of individual project case studies, by priority, in the report.

DETI has already achieved its 2010 N+2 target but is remaining vigilant in terms of overall Programme spend.

In terms of Information and Publicity, DETI's new stand alone website is due to launch by the end of the year. DETI also recently sponsored the Belfast Top 50 Businesses Awards event and provided members with copies of the related magazine supplement.

The Mid-Term Evaluation steering group has met and agreed Terms of Reference, which are currently out to tender. The MA would expect to produce a report in the spring of next year. The rep also outlined that NISRA have recently completed a demarcation exercise to ensure that funding for the Competitiveness Programme is distinct from the Rural Development Programme. **The NISRA Rep** informed the group that the draft final report is currently with the MA but that, on the basis of analysis of approved projects on the database, no overlap of funding currently exists. The final report, once approved, will be forwarded to members.

Action: DETI / NISRA

The DETI Rep also stated that there is a focus on verification activity which includes processing of any resulting reportable irregularities and that good progress is being made on this front.

The performance of Sub Priority 2.2 (Local Economic Development) was then outlined in detail. **The DETI Rep** reaffirmed that progress to date has been disappointing, with 40 approved projects in place making a combined commitment of £3.4m from the £25m earmarked. DETI has carried out an internal review of the measure with significant stakeholder engagement in an attempt to identify barriers to engagement. The review uncovered three main barriers inhibiting progress, namely;

1. RPA and the associated uncertainty of Councils to commit.
2. Match Funding and the difficulties in sourcing the required 50% Match.
3. The identification of clearly demarcated projects from other NI Programmes and mainstream national activities.

DETI are holding a workshop next Tuesday (2 Nov) which will attempt to tease out the design and development of project ideas that are consistent with the original Lisbon focussed nature of activities that can be supported, i.e. innovation, research & development and entrepreneurship. Invest NI has indicated a willingness to assist with demarcation of project ideas, as well as considering provision of a match funding contribution for activities that complement mainstream supports. To date the attendance of INVEST NI,

NILGA, the LED Forum and approximately 20 of the 26 Local Councils has been secured. DETI are reporting a very positive reaction to the review in general and are encouraged going forward.

The **Environmental Rep** questioned if the mid-term evaluation provided an opportunity for the issues relating to broadband in both the Competitiveness and RDP Programmes to be re-examined.

The **Environmental Rep** also noted that neither Progress Reports made any mention of the NI MEPs and asked if direct MEP involvement could be secured with the Monitoring Committee in future.

The Chair agreed to take both points into consideration. **Action: Secretariat**

The Local Government Rep asked if a specific issue exists with the quality of Council project applications to the LED Measure. **The DETI Rep** responded that quantity is more of an issue than merely quality as some Councils have yet to actually submit any applications. **The DETI Rep** added that a collaborative approach by Councils is strongly recommended and has proven to be a successful strategy to date.

The **DG Regio Rep** sought clarification on both the timeframe and governance of the LED Measure. **The DETI Rep** anticipates significant progress, along with design and development work, to be carried out by the end of January 2011 with a view to having project activity approvals and commitments live by the start of the next financial year. DETI remain very much in the lead for the Measure and discussions are ongoing with INVEST NI on future responsibilities. All future activity that requires collaboration between Councils and INVEST NI will be managed in a way that DETI are content with and remains consistent with the requirements of the Programme.

The Local Government Rep welcomed the discussions and reassured members that Councils are continuing to work on the issues discussed and are receptive to adopting collaborative approaches. The rep also saw a role

for NILGA at next week's workshop in clarifying the marrying of issues between the various stakeholders.

The Local Government Rep asked if the fact that the Rural Development Programme does not allow training grants to small businesses could be re-examined. **The DARD Rep** agreed to take this point forward on behalf of the Monitoring Committee.

Action: DARD

5.2 ESF Programme

The DEL MA Rep set out the key updates in respect of the Employment Programme.

Priority 1 – Annexes A and B of the report contain detailed information on the performance against indicators. The total number of participant's indicator is currently ahead of target, with 47% having been achieved to date. The number of participants aged 16 to 19 who are not in education, employment or training indicator (NEET) is currently behind schedule (21.3%) and is being addressed in the current call, which is due to end on 5th November. DEL is reporting significant interest in the current call.

Priority 2 – The priority is performing ahead of target, with over 19,000 apprentices currently covered by the Programme. Programme led apprenticeships are also being included in the Programme, bringing in those who have been unable to complete their apprenticeships as a result of the economic downturn.

Priority 3 – Proteus were successful in the recent call to provide specialist support for projects selected under the second call. Proteus will assist projects in the areas of soft indicators, transnationality and sourcing Match Funding. This work will commence in November 2010 and run for the next 3 years.

The Managing Authority is still working towards its original N+2 target for 2010 of €23.7m and expects to achieve this. Claims are ongoing.

The Local Government Rep asked for an update on the position of the 2009 Annual Implementation Report. **The DEL Rep** stated that the MA has made the amendments requested by the Commission and envisage re-submitting the report early next week.

The **Environmental Rep** asked if the results of the project's environmental impact and sustainable development questionnaire referred to in section 2.3.5 of the Progress Report could be forwarded to the Environmental WG. **The DEL Rep** agreed to do so once the analysis has been finalised. **Action: DEL**

The DG Employ Rep welcomed the positive news on the ESF N+2 target, and stressed the need for the MA to react quickly and decisively to any indicators, such as NEET, which are still underperforming following the second call. **The DG Employ Rep** also announced that the Commission has formally accepted the final report for the 2000-2006 EQUAL Programme – the first UK Programme to be accepted.

The DEL MA Rep added that additional work is ongoing between DEL and DE to develop a strategy to address and target the specific issue of NEETs going forward.

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

6. Annual Implementation Reports (AIRs) 2009

The Chair advised Members that the both the ERDF and ESF AIRs were submitted to the Commission by the regulatory deadline of 30th June. The ERDF report has been accepted whilst DEL expect to submit the revised ESF report next week.

The DG Regio Rep asked that future ERDF Progress Reports include additional information in relation to growth and jobs within the Programme. **The DETI Rep** agreed to provide this information going forward.

Action: DETI

7. Working Groups Reports

The Chair advised Members to note the report and approve the recommendations contained within it.

In the absence of the Evaluation WG Chair **the DFP Rep** advised that the group has considered and recommended for approval the Terms of Reference for both Programme Mid Term Evaluations. Also highlighted were the NISRA reviews of both Transnationality Activity and the Measurement of Soft Outcomes within the ESF Programme.

The DG Employ Rep asked that the words “if any” be removed from the first line on page 10 of the ESF TOR. Members agreed both the ERDF and ESF draft terms of Reference.

The DEL Rep reported that the Innovation & Mainstreaming group has experienced difficulty establishing a quorum and is seeking permission to both reduce the quorum and take steps to increase membership with a view to addressing the geographical, gender and sectoral balance of the group. Members agreed that the definition of a quorum could be reduced from 9 to 4 members.

The **Environmental WG Chair** advised members that the DPA analysis exercise reported largely accurate DPA scoring of projects. The Chair expressed that the difficulty with DPA remains the fact that is not considered or weighted at the project selection process. Members were asked to accept the recommendations of the DPA Report and note the associated revised guidance note. The issue of SEA reports and associated environmental indicators is currently being examined as part of the Mid Term Evaluation processes.

The Monitoring Committee approved the reports from the Working Groups.

8. Communication Implementation Plan Report 2011

Members were asked to note the report, no comments were received. The Committee approved the report.

9. Future Funding

The DG Regio Rep gave the group a detailed and informative overview of the developments in regards to Future Funding. The 5th Cohesion Report will be published by the Commission shortly and an information event will be held in the European Commission in NI's offices on 10th November. Members interested in attending are to respond directly to the Commission.

The rep advised that the Commission has, within the last weeks, approved both a budgetary review (sans figures) and a document on the Innovation Union. The Commission will continue to voice support for Cohesion policy to apply to all Member States and regions. The Rep foresees increased performance orientation and additional conditionality's being attached to future Programme implementation and declared that the Commission retains its commitment to the principle of simplification. Discussions are ongoing within working groups on how to best achieve simplification. Whilst it may prove overly optimistic, it is anticipated that the Commission may have approved the draft legislative framework for the new round of funding by the middle of next year.

The DG Employ Rep anticipated that some of the proposed aspects of financial simplification may seem difficult to achieve within the ESF framework alongside soft outcomes etc. The rep also outlined that the regions within the European Union will have a major role to play in the Cohesion process in future.

The Agri-Rural Rep welcomed the Commission's continued commitment to simplification and stressed the need for future economic development to retain both a rural and urban focus.

The **Environmental Rep** highlighted the arbitrary nature of distinguishing between rural and urban areas and expressed his hope that this be clarified further in future. The **DG Regio Rep** replied that National Eligibility rules fall within the remit of, and indeed, are set by individual Member States as opposed to the Commission.

10. AOB

Members were asked to complete the 2010 customer satisfaction survey questionnaires provided.

The **Environmental Rep** highlighted the recent general reduction in funding to Voluntary and Community groups in the Environmental sector and commended MAs to closely monitor this situation and its potential impact on the NI Programmes.

TABLE OF ACTION POINTS

Issue	Action	Responsibility
Demarcation exercise	Finalised report to be forwarded to Members	DETI / NISRA
MEP Involvement	To look into inviting MEPs or their representatives to Monitoring Committee	Secretariat
RDP Training Grants	Report back to MC on eligibility of training grants to small businesses within the RDP	DARD
Sustainable Development Questionnaire	Results of the project's environmental impact and sustainable development questionnaire to be forwarded to the Environmental WG	DEL

ERDF Progress Report	To include additional information in relation to growth and jobs within the Programme	DETI
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Annex A

**ATTENDEES AT THE COMPETITIVENESS AND EMPLOYMENT
MONITORING COMMITTEE MEETING AT DUNGANNON
THURSDAY 28 OCTOBER 2010**

Members

Brian McClure	Chairperson
Maura Young	DFP Member State
Paul Brush	DETI Managing Authority
Maeve Hamilton	DETI Managing Authority
Paul Carr	DETI Managing Authority
Brian Smart	DEL Managing Authority
Andrea Quail	DEL Certifying Authority
Colin Devine	Voluntary & Community
Arnold Hatch	Local Government
Oliver McMullan	Local Government
Peter Archdale	Environment
Wesley Aston	Agri-Rural

Advisors

Gerard Colgan	NISRA
Charles Hamilton	Invest NI
Stephen Langley	European Commission (DG Regio)

Marc Vermyle	European Commission (DG Employ)
Ian Boden	SEUPB
Barry Graham	DOE
Andy Best	NITB
Kevin Murphy	DARD

Observers

Ken Bishop	NILGA
Carol Caves	DETI
Nuala Crossin	DETI
Maurice Maxwell	EC Office
Andrew Dawson	DEL
Ryan Duddy	NISRA
Deirdre Convery	Invest NI

Apologies

June Ingram	DEL Managing Authority
Maurice Mulvenna	Research
Richard Quinn	Education
Bob Collins	Equality
Jonathan Wallace	Research
Tom Gillen	ICTU
John Doran	Business