

COMPETITIVENESS & EMPLOYMENT MONITORING COMMITTEE

MEETING HELD ON

22 OCTOBER 2009 – SIGNAL BUSINESS CENTRE

Attendance

A list of attendees is attached at Annex A. Apologies were received from Marc Vermyle (European Commission), Frances McCandless (Vol. & Com.) and Christopher Stalford (Local Government)

1. Introduction

The Chair welcomed everyone to the fifth meeting of the Committee and expressed his thanks to SIGNAL for providing the facilities and hosting the meeting. He began the meeting by informing the Committee of the sad news that one of its long-standing members, Brian Murphy, had recently passed away after a long illness. He expressed his condolences to the family and conveyed his appreciation for the contribution Brian had made over the years especially within the Environmental Working Group.

There had been a number of members who have moved on, namely:

Lisa McElherron (Vol & Com.) replaced by Frances McCandless

Brian Murphy (Environment) replaced by Peter Archdale

Lucinda Blakiston-Houston (Env) replaced by Hilary Kirkpatrick

David Smith (Education) replaced by John D'Arcy

Robin Newton (Local Government) replaced by Christopher Stalford

The Chair also advised that Frances O'Hara (DEL) and Maeve Hamilton (DETI) have recently joined the respective Managing Authorities.

He advised the purpose of the meeting would be to agree the minutes of the last meeting and note the actions taken; note the progress under the two Programmes; note progress on activity carried out by the Working Groups, including an amendment to the Evaluation Working Group Terms of Reference, and note the Publicity and Communication report 2010.

Items under AOB included the Customer Satisfaction Report 2009 and an oral update on the Task Force.

2. Minutes from meeting 28 April 2009

The Chair noted that the minutes from the previous meeting had been circulated on 7 May. There were a number of suggested amendments, some lengthy, therefore the Chair advised that, as the amendments were tracked on the revised version, which Members have had the opportunity to read, if there were no further comments then the minutes would be taken as an accurate record. No further comments were received and the Chair noted the minutes as agreed.

3. Action points from 28 April 2009

The Chair advised that an updated table of the Action Points had been circulated to members with the papers on 7 May. He noted all actions had been addressed.

4. Presentation by SIGNAL

David Shivers, Manager at the SIGNAL Business Centre, gave a presentation on their ERDF project. A copy of the presentation will be forwarded to all Members.

Action: DFP

5. Progress Reports

5.1 ESF Programme

The DEL Rep advised Members that he would highlight the key aspects of progress within the programme.

Priority 1 (PR1) - there are a total of 74 projects of which 1 is currently inactive. The Managing Authority met with the Project Board of the project, which is having difficulty in obtaining match funding, in July and subsequently has written to the Board advising that funding could not be held indefinitely. Due to the Managing Authority having stringent financial commitment targets to meet a decision will shortly be made to decide if the project will proceed.

Within the Progress Report DEL has produced 2 tables for PR1; 1 showing performance against indicators with targets (over the lifetime of the programme) and 1 without targets. On a pro-rata basis, within PR1, DEL is currently ahead of target on 4/7 of the indicators.

Due to the economic downturn it has been agreed to include the 'Training for Success' initiative within PR1. It is anticipated that an independent scoring panel will be concluded in November and that all participants will soon become eligible for ESF funding and the initiative can then be included in the programme.

Priority 2 (PR2) – The DEL Rep advised that the economic downturn has had a detrimental effect on the Apprenticeships NI programme where private sector employers are not taking on apprentices. The Managing Authority is therefore only ahead on 3/7 indicators set out in the table under paragraph 2.2.3.

The Programme Support Structure, Proteus, has been appointed and they have delivered training to 74 project staff on the 'Rickter scale' which is a tool to measure soft outcomes, e.g. more self confidence, strengths and weaknesses.

N+2 – Under PR1 expenditure of £7.34m has been incurred of which £5.75m is eligible towards N+2 2009. The difference is due to DEL awaiting match

funding certificates from third parties to certify that the match funding is available.

Under PR2 £4.25m is eligible for N+2 therefore overall giving eligible expenditure of £10m towards N+2. The target for 2009 is €9.9m and as long as the exchange rate between £/€ does not dip below parity then this should be met. The N+2 target for 2010 is €22m and will be a significant challenge.

N+24 – DEL has a regulatory deadline of 22 Nov 09 in which to make a claim, i.e. 24 months from the date of the Operation Programme being agreed with the Commission. The amount is irrelevant and the Department is currently working towards that target.

AIR 2008 – This has been deemed admissible, in August 09, by the Commission and DEL is currently working with the Commission on a few issues to ensure the AIR is deemed acceptable.

The Local Government Rep asked for clarity on which indicators DEL was ahead of target.

The DEL Rep confirmed that the target was over a 6 year period and if the totals were divided pro-rata it showed were the Department was ahead or behind the annual target confirming that under PR1 they were ahead on targets 1-3 & 5. To ensure easier reading of the targets DEL agreed to add a 'pro-rata' column to the table and to include graphical images.

Action: DEL

The DG Regio Rep, on behalf of the absent DG Employ Rep, asked for a notional target column covering the reporting period, to be added for easier understanding. He also enquired as to:

- what the implications would be for the programme as a whole if the targets under PR2, where DEL is currently behind, are not attained; and
- what the risk assessment is for N+2 2009.

The DEL Rep replied that, under PR2, DEL was currently behind on targets 1-3 & 7 although they were not significantly behind the pro-rata figure. DEL is currently working with employers to identify ways to promote the Apprenticeships programme but will continue to monitor and manage the situation. Subject to extreme fluctuations in the exchange rate DEL is confident in meeting its N+2 2009 target.

The Business Rep enquired as to what happened to the funding if DEL did not attain its 2010 N+2 target of €22m.

The DEL Rep advised that any shortfall in the claim is de-committed and the money is lost.

The DG Regio Rep advised that the Commission is aware of the pressure on spending and has taken steps to modify the regulations to alleviate the N+2 rule however the decision to amend the N+2 rule is taken by Council and Parliament. It is unlikely that any modification to the rule will be implemented in the current year.

The ICTU Rep asked for clarification on what stage DEL was at in committing the €22m for 2010.

The DEL Rep confirmed that the money is already committed, e.g. under PR1 projects have Letters of Offer covering the period Apr 08 – Mar 11. The issue is more around the projects spending the money that they have intimated they will spend.

The Agri-Rural Rep enquired if NI MEPs were aware of the N+2 position and, if so, would they be in a position to help the process of securing relaxation of the rule?

The Chair replied that at the outset of the economic downturn the Commission had made amendments to regulations that would allow flexibility in programming. The ESF and ERDF programmes were subsequently

reviewed to ensure they were on target to meet both the 2009 & 2010 N+2 targets. It is felt that the NI programmes are performing relatively better than a large number of projects across the EU in terms of N+2 despite the economic downturn. The Commission were now making further proposals to ease the N+2 decommitment threat. In respect of the role of the NI MEPs, this issue was for Member States to respond to and Treasury is taking the lead for the UK.

The Local Government Rep asked if there were any limiting factors in taking up the available funding as DEL has to find 25% of the funding. Due to the downturn FE Colleges are receiving a higher than anticipated number of students applying for courses, therefore are there any measures needed to be taken to reallocate funding to DEL to filter down to the Colleges to deliver the courses.

The DEL Rep advised that the 25% of funding bid for by DEL is ring-fenced for ESF Projects. The FE Colleges are a separate funding stream within the Department.

5.2 ERDF Programme

The DETI MA Rep set out the key facts in the Competitiveness Programme. The charts in the update report tabled for the committee set out the following:

1. the split between the 4 Priority Areas of the allocation of €613m;
2. designation of specific programmes into the different projects making up approx 75% of the allocated funds;
3. the amount that has been committed to date under the programme over the 3 main priorities;
4. how the N+2 target is split out between the priorities however he advised that the N+2 target is over the entire programme and not individual segments of the programme;
5. the latest expenditure incurred and recorded on the database. This amount plus the advances of €46m gives a total expenditure amount of €94.5m against a target of €82.5m

Work is on-going to ensure that the expenditure is verified and certified prior to being issued to the Commission.

N+2 2010 – work is ongoing and the target should prove challenging yet achievable. Publicity of the programme for the last year and proposals for 2010, such as a successful projects newsletter, were outlined to the group.

In summarising the rep advised that the Innovation & R&D side of the programme has witnessed remarkably strong demand. The ‘Go For It’ scheme helpline has also received a record amount of queries. The LED Local Council measure has begun slower, largely due to consisting of smaller, short term projects. The uncertainty relating to the Review of Public Administration has also been a contributory factor to its slow start. DETI has been meeting with Local Councils and held an information session in Cookstown, in conjunction with NILGA, to encourage uptake by Councils.

The Titanic major Project application has been forwarded to the Commission and talks are progressing around remaining issues.

The Local Government Rep sought clarification on what precise areas local councils could be more proactive in. The **DETI Reps** stated that the most effective projects are those which are non generic and address specific local business needs.

In response to the Business Rep with regards to indicators, the DETI Rep stated that there were a number of indicators which were no longer relevant in that the related activity was not now included in the Programme. He stated that these would be reviewed and, if appropriate, removed or amended during the mid-term review process. It was also highlighted that the statistics for the ‘Tourism – Number of Jobs Created’ indicator are not yet available but will be provided in due course.

The Agri-Rural Rep enquired as to where climate change, greenhouse gases sit within the programme as there are targets to meet within the industry.

The DETI Rep advised that the energy component of the programme is at the feasibility study stage and while it looks as if it is a series of reports with no activity involved, within the next 6 months the outcomes will begin to be delivered. The Monitoring Committee will be advised of these outcomes.

The DG Regio Rep sought clarification on the following points:

1. If the MA is confident that the current substantial rate of commitment can be maintained over the coming years?
2. The Priority Level Reports show that some INVEST NI schemes have yet to get off the ground. Are these progressing and has any money been designated?
3. The pace of verification work, issues arising and potential impact these may have on the expenditure figures quoted.

The DETI MA Rep responded:

1. DETI is confident that there is sufficient commitment and that the uptake should continue but acknowledge that this is reliant on the key sectors and themes within the Programme staying strong.
2. Spend will be commencing on these relatively small programmes in the near future.
3. DETI has completed a test claim. The payment listing for the 2nd claim has now been generated and management checks and corrections are being undertaken. No systemic weaknesses have been encountered.

6. Annual Implementation Reports (AIRs) for 2008

Both the ERDF and ESF AIRs were submitted by the 30th June regulatory deadline. The ESF AIR has been deemed admissible and verification work is ongoing between DEL and the Commission. The ERDF AIR has been

accepted by the Commission. Any revised versions of the ESF AIR will be circulated to the group.

The DG Regio Rep noted it would be beneficial for the increasing focus on communication and publicity of the Programme to be reflected in future AIRs.

7. Working Groups Reports

The Chair advised Members to note the change to the Terms of Reference for the Evaluation Working Group.

The **Evaluation WG Chair** advised that the group is making progress against its set targets and asked the MC to note the change of quorum details in its Terms of Reference.

The Innovation & Mainstreaming Chair reported that the group is planning to meet directly with the 6 Priority 1 Innovation projects in future. The next meeting will be held in the North-West and representatives from 2 of the 6 projects will be in attendance. The group is also taking steps to address the gender balance of the Working Group.

The DG Regio Rep asked that future INVEST NI evaluation reports be presented to the PMC or relayed directly to the Commission.

The **Equality WG Chair** advised that the Mainstreaming Equality Guide is being revised following consultation at the last meeting.

The **Environmental WG Chair** advised that the last meeting of the group focused largely on environmental indicators and DPA Analysis. The newly instated Chair has written to the DG Env Desk Officer to seek advice on a variety of issues.

The Monitoring Committee approved the reports from the Working Groups.

8. Member State/Managing Authorities Communication Implementation Plan 2010

Communication Plans for the Member State and both Managing Authorities were presented to the Group. Following a query from the **Business Rep** DEL stated that they will not be progressing with their plans for an independent website. The costs detailed in the ESF Communication Plan will be vastly reduced as a result.

The DG Regio Rep asked if last year's underspend as outlined in the plans allowed scope for a second Major Publicity Activity for 2009. The Chair stated that the underspend against last years budget does not reflect a lower level of activity as not all departmental/INVEST NI publicity activities were fully charged to Technical Assistance. Careful consideration would need to be given to any potential additional Major Publicity Activities.

9. AOB

9.1 2009 Customer Satisfaction Report

Members were encouraged to complete the satisfaction surveys provided.

9.2 Task Force Update

Departmental Task Force plans are currently being drawn together by OFMDFM and should be submitted to the Executive in the near future. Actions by individual Departments are continuing and the Commissioners' November visit will raise the profile and encourage involvement in the Transnational Programmes. It is hoped that the prospective Task Force Action Plan will be made available to members in advance of the next meeting.

TABLE OF ACTION POINTS

Issue	Action	Responsibility
SIGNAL Presentation	Presentation to be forwarded to Members	DFP
Progress Reports	DEL to add a pro-rata column and graphs to future Progress Reports	DEL

**ATTENDEES AT THE COMPETITIVENESS AND EMPLOYMENT
MONITORING COMMITTEE MEETING AT SIGNAL
THURSDAY 22 OCTOBER 2009**

Members

Bill Pauley	Chairperson
Maura Young	Member State
Paul Brush	DETI Managing Authority
Paul Carr	DETI Managing Authority
Damian Fitzpatrick	DETI Managing Authority
Trevor Connolly	DEL Managing Authority
Frances O'Hara	DEL Managing Authority
Andrea Quail	DEL Certifying Authority
John Doran	Business
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
Alex Baird	Local Government
Peter Archdale	Environment
Bob Collins	Equality
Wesley Aston	Agri-Rural

Advisors

Gerard Colgan	NISRA
Charles Hamilton	Invest NI
Stephen Langley	European Commission (DG Regio)
Shaun Henry	SEUPB
John McKenna	OFMDFM
Andy Best	NITB
Kevin Murphy	DARD

Observers

Ken Bishop	NILGA
Maeve Hamilton	DETI
Owen Gillespie	DEL
Nuala Crossan	DETI
Deirdre Convery	Invest NI
Maurice Maxwell	EC Office

Apologies

Frances McCandless	Voluntary & Community
Christopher Stalford	Local Government