

GOVERNMENT OFFICE FOR YORKSHIRE AND THE HUMBER

SOUTH YORKSHIRE OBJECTIVE 1 PROGRAMME DIRECTORATE

**OBJECTIVE 1
PROGRAMME MONITORING COMMITTEE**

MINUTES OF THE MEETING HELD ON 11 FEBRUARY 2003

AT

THE SOURCE, MEADOWHALL

MINUTES OF THE TENTH PROGRAMME MONITORING COMMITTEE (PMC) HELD ON 11 FEBRUARY 2003

AGENDA ITEM 1: WELCOME AND INTRODUCTIONS

1.1 Felicity Everiss welcomed the members of the PMC to The Source, a flagship Objective 1 initiative. Felicity also welcomed Tanja Viljanen and Damien O'brien, European Commission, Vince Robinson, Jobcentre +, and Rama Isaiah, Thorne Development Partnership to their first PMC. Felicity also explained that Sylvia Yates was unwell and would not be attending.

Present and Apologies – as at Annex A

AGENDA ITEM 2: MINUTES OF THE LAST MEETING AND MATTERS ARISING

2.1 The minutes of the 8 October meeting were accepted as a true and accurate record.

2.2 In terms of matters arising, no issues were raised from members. Kevin Bennett informed members that the LSC report would be complete in the summer and reminders had been sent out to members regarding PMC substitutes.

AGENDA ITEM 3: DECLARATIONS OF INTEREST

3.1 Gordon Scott declared an interest in agenda item 9 because Peel Holdings had applied for EEF membership in the North West region.

3.2 Martin Havenhand declared an interest in agenda item 5.

3.3 Sue Yeandle declared an interest in agenda item 10.

AGENDA ITEM 4: JOBCENTRE + (JC+) CO-FINANCING

4.1 Kevin Bennett explained that PMC members were being asked to approve the plan which would utilise £8m ESF and aim to move almost 4000 people into employment.

Issues highlighted in this report were that:

- the number of Jobseekers Allowance claimants had fallen in the last few years so co-financed projects would need to tackle more difficult to reach groups. There is a need to ensure JC+ works alongside South Yorkshire Consortium (SYCON) to obtain maximum impact from Measure 16 (M16) funds;
- there was a need to achieve synergy between M16 co-finance and M15 and M17;
- the need to produce effective management information reports on the activity was important for the PMC to exercise its oversight of the initiative.

The following points were raised in discussion:

- Vince Robinson stated that the work already done under measures 15 & 17 needed to be taken into account and that management information was also a concern for JC +;
- Steve Arnott said that he had met with ESF Managers last week to discuss management information and that whilst excellent progress with JC+ had been made, some South Yorkshire issues still needed to be tackled regarding the provision of wider evaluation data;
- Sue Yeandle was in favour of the co-financing plan but highlighted the need for a partnership between JC+ and the gender task group to deliver the gender targets addressed in the paper. The Programme Directorate was asked to arrange a meeting between JC+ and representatives from the gender task group;

ACTION POINT: PROGRAMME DIRECTORATE

- Ernest Opuni stated that the commitment to diversity in this paper was very encouraging but there was an oversight of the Race Relations Amendment Act which would be beneficial. Vince Robinson agreed to write to Ernest Opuni regarding Jobcentre +'s stance on Race Relations Amendment Act;

ACTION POINT: VINCE ROBINSON, JOBCENTRE +

- Martin Havenhand highlighted the need to ensure there is alignment with other strategies in the region. For example, the Regional Economic Strategy (RES) and the Framework for Regional Employment and Skills (FRESA). Vince undertook to take this on board in the plan.

ACTION POINT: JOBCENTRE +

Felicity Everiss asked members to formally approve the co-financing plan subject to contract.

Decision taken: Co-Financing plan approved.

AGENDA ITEM 5: ALIGNING OBJECTIVE 1 AND YORKSHIRE FORWARD'S PERFORMANCE MANAGEMENT FRAMEWORK – PILOT ARRANGEMENTS

5.1 Felicity explained that Objective 2 was also involved in the pilot and that PMC members were being asked to approve this framework for Objective 1.

5.2 Kevin Bennett introduced the paper and highlighted that the pilot builds on the work of SRB, particularly projects for Yorkshire Forward single pot and Objective 1. This pilot was the result of Government Office and Yorkshire Forward analysing all 3 systems and uniting them. There was a joint business plan pro-forma, an agreed joint appraisal framework and a protocol setting out how alignment works.

5.3 PMC members were being asked to approve the pilot which would be tested on 6 projects with a view to simplifying processes for the applicant. Kevin explained that subject to the results of the pilot, it would be the intention to adopt the process for the whole of Objective 1.

5.4 In the discussion that followed, the following points were raised:

- Martin Havenhand stated that Yorkshire Forward is committed to making this work and to improve on areas where the pilot fails;
- Ged Fitzgerald welcomed the approach as a practical way forward but highlighted the need to maintain effective internal and external communication throughout the pilot exercise;
- David Marlow also welcomed the approach as a step forward that built on the foundations of regional and sub-regional action plans. However the strategic assessment panel operates at a regional level and questioned why there was no representation for South Yorkshire. In response to this point Martin explained that O1 and O2 representatives were involved in the panels and that sub-regional “buy-in” was secured through the SRAP process;
- Antonio Goncalves complimented GOYH and YF for their work and stated other regions should benefit from this work. He went on to say that the work addressed problems identified in other Mid Term Evaluations (MTEs), regarding the simplicity of access to joint funds;
- Hugh Rolo welcomed the approach but had concerns about representation from the voluntary and community sector on the decision panel. Martin Havenhand commented that the sub-regional action plan has voluntary and community input and that development managers assigned to each project would work alongside vol/com agencies to ensure they are adequately supported in the process;
- Mitesh Dhanak stated that he welcomed any approach to a faster appraisal system and would like this to be presented to other areas.

Decision taken: All members agreed to pilot the appraisal process.

AGENDA ITEM 6: PROGRAMME DIRECTOR'S REPORT

6.1 In Sylvia Yates' absence, Felicity invited members to raise any issues that they had on the report. The issues raised were:

- Martin Havenhand stated the issues surrounding increased business sales were the main focus of the next PMB and an update would be provided at the May PMC. Martin also commented on the South Yorkshire Delivery Vehicle and explained that Tony Kildare had been appointed as the director of the specific organisation and not Yorkshire Forward. A request was made for Tony Kildare to attend the May PMC to present a summary of the business plan;

ACTION POINT: PROGRAMME DIRECTORATE/TONY KILDARE

- Rama Isaiah commented on the Objective 1 Community Action Plan Delivery Framework and asked if there was a vol/com sector contributor in each of the Task Groups. The Programme Directorate confirmed that invitations were being circulated;

- Bob Anderson stated he was awaiting the incubator strategy from Objective 1. Julian White confirmed that it was never intended to be an incubator strategy but a project commissioning round. Julian to write to Bob to clarify this issue;

ACTION POINT: PROGRAMME DIRECTORATE

- Vince and Hugh requested information on Objective 1 funded social economy activity. Frances Adams to provide them with this information.

ACTION POINT: PROGRAMME DIRECTORATE

AGENDA ITEM 7: MANAGEMENT INFORMATION REPORT

7.1 Kevin Bennett gave a presentation to show the 2002 figures for grant committed, grant expenditure and grant claimed. He stated that 900 jobs were forecast for 2002 but only around 800 were created. This meant that a 1000 jobs would need to be created this year to meet performance reserve targets. N+2 targets for 2002 had been exceeded and we were making good progress to achieve the targets for 2003.

7.2 Felicity stated that the papers in folders go into more detail and any questions on these should be circulated to the directorate.

7.3 The following points were raised:

- Ged Fitzgerald felt that it would be helpful if future reports contained further information of outputs and outcomes for South Yorkshire projects. Kevin to include this information in the next report;

ACTION POINT: PROGRAMME DIRECTORATE

- Martin Havenhand mentioned that the performance on spend should be no surprise because of the effective management structure which exists within the Programme. He pointed out, however, that in the case of YF, the requirement to seek Government approval for projects in excess of £5m was creating delays in implementation, inward investment being a good example;
- Mitesh Dhanak commented that ODPM were aware of the problem and Whitehall are trying to resolve this particular issue.

AGENDA ITEM 8: SOUTH YORKSHIRE INVESTMENT FUND – PROGRESS REPORT

8.1 Felicity mentioned that SYIF had been running for almost a year and that it was an appropriate time for an annual review.

8.2 Julian White introduced the report and highlighted the key issues. These were:

- SYIF deal flow – he mentioned that Invest for Growth 2 had been agreed recently and that this would work alongside SYIF to blend loan and grant in a manner which should increase the number of projects coming forward;
- jobs created and business sales are below target but projected outputs are encouraging. However these are projected and need to be delivered;

- management arrangements need to be agreed to monitor performance.

ACTION POINT: PROGRAMME DIRECTORATE

8.3 Tony Goulbourn stated that the SYIF model had taken time to develop and explained that there were issues regarding stimulating demand for business finance. Tony highlighted the following issues:

- the first investment was made in April 2002 and only really started making progress by the mid-year. SYIF supports SEZs and Urban Centres etc. but demand from them is slow coming. In addition he pointed out that Cluster Development activity had been key to stimulating investment activity and that this had also been slow to come through;
- securing value from fund management was a key issue and that this was being evaluated and reviewed at the moment;
- demand for equity based options was relatively strong as were calls on the Mezzanine fund for projects with equity characteristics;
- balancing risk and return was a key issue because SYIF was a commercial operation;
- significant funding was allocated to Social Enterprise and there was an agreement to work with the Key Fund partnership to discuss the appropriate use of these funds;
- Money with Management, Capital Network and Mentorbank had all gone extremely well to date and SYIF are looking at ways to best use these resources.

Gordon stated that the business sector sees SYIF as a high priority and very important to business sales and inward investment targets.

Rama highlighted the relationship with the cluster development strategy and the need to make appropriate connections.

Hugh Rolo felt that social enterprises need to grow and capitalise before they go to SYIF and that the Key Fund had a key role in this.

Martin Havenhand stated that the PMC had a key role in communicating positive messages about SYIF. Tony commented that this perception is usually from applicants that have been declined for funding and extensive marketing has been done to identify where the risk is and this is communicated effectively.

In response to the above Tony commented that working with the EEF had been important to the initial success of SYIF and that SYIF were involved closely in Digital and Creative Industries and Environmental Technology Clusters. He also explained that the Key Fund would be undertaking the marketing for SYIF and he was talking to several development trusts at the moment.

Felicity highlighted that Objective 2 is going through the final processes of Venture Capital fund approval and is learning from SYIF.

Decision taken: Management arrangements including a formal annual report to the PMC were agreed by all members.

AGENDA ITEM 9: TRANSPORT DEVELOPMENTS – PROGRESS REPORT

9.1 Felicity thanked Ruth for her work to date and informed members that Ruth was leaving the Directorate.

9.2 Ruth introduced the report and informed members that it outlined the progress and the risks identified on the Priority 6 strategic transport projects since the PMC in March 2002. She explained that SYWMMS had endorsed all the recommendations from the March PMC but that the Minister's response was not expected until the Spring. Ruth asked members to endorse additional contributions towards design work for the Waverley link road (£227,500), and for a feasibility study for the Finningley link road (£10,000).

9.3 Ernest requested clarification on Supertram and the ranking of routes. Roy Wicks explained that economic and financial cases were the key determinants of ranking and that this had led to the selection of Rotherham East and South Sheffield.

Decision taken: Approval was given to both contributions.

AGENDA ITEM 10: MID TERM EVALUATION (MTE)

10.1 Felicity highlighted that the MTE process had to be complete in the next few months and that PMC members should be aware of this.

10.2 Jayne Crosse introduced the report and stated that MTE covered a wide range of issues including the continuing relevance of the programme and the progress it had made. The main element of the MTE started now and work was being done with project managers and beneficiaries to draft the final report due in May.

David Marlow commented that the findings of the SY spatial study raised questions regarding strategy and key geographical areas and that this should be tested in discussions with LAs and Objective 1.

Tanja Viljanen asked the Programme Directorate to ensure that MTE consultants include evaluation questions relating to Rural Development.

ACTION POINT: PROGRAMME DIRECTORATE

10.3 Antonio Goncalves brought members' attention to the timescale and requested that MTE reports and proposals were transmitted to the EC during Autumn 2003 as the EC decision will be made in March 2004.

Felicity informed members that the timetable in this report was the formal timetable and discussions have taken place regarding a joint PMC/PMB in May. Any members who do not feel involved throughout this process should contact the Directorate.

Peter Wells stated that a stakeholder survey has been launched to collect views on the MTE process and it was being circulated to all members.

AGENDA ITEM 11: PROGRAMME COMPLEMENT – NOTIFICATION OF TECHNICAL CHANGES

11.1 Kevin Bennett introduced the report and stated that Jeremy Short, Programme Directorate, had produced the paper which summarised the key points.

Kevin informed members that they needed to approve the report so that all amendments could be made. Felicity highlighted that the SPD could not formally be amended until after the MTE.

Damien O'Brien, EC, commented that the summary paper regarding ESF looks fine but would like to discuss the status of the preventative unemployment indicators.

ACTION POINT: PROGRAMME DIRECTORATE

Decision taken: All members agreed to the amendments, subject to further discussion/clarification with the EC.

AGENDA ITEM 12: ANY OTHER BUSINESS

Mitesh Dhanak informed members that a paper on the position of Structural Funds in the UK would be circulated at the end of February and time would be given for response.

Felicity thanked members for their attendance and requested that the minutes noted thanks to The Source as an excellent venue to host the PMC.

Date of next meeting: 22 May 2003
Venue: The Source (TBC)

**Programme Directorate
February 2002**

Dates of Future Meetings

22 May 2003
30 September 2003

Annex A

PMC MEETING 11 February 2003

Those present:

Chair	Felicity Everiss	Government Office Yorkshire & The Humber
	Martin Havenhand	Yorkshire Forward
	Antonio Goncalves	European Commission
	Tanja Viljanen	European Commission
	Damien O'Brien	European Commission
	Hugh Rolo	Development Trusts Association
	Rama Isaiah	Thorne Development Partnership
	Ernest Opuni	Rotherham Ethnic Minority Alliance
	Roy Wicks	SYPTE
	Gordon Scott	EEF
	Sue Yeandle	Gender Champion/Sheffield Hallam University
	Bob Anderson	Sheffield Hallam University
	Vince Robinson	Jobcentre +
	John Korzeniewski	Learning & Skills Council

Apologies:

	Andrew Bayer	DTI
	Geof Tomlinson	University of Sheffield
	Dean Thomas	DEFRA
	John McIvor	Rotherham Primary Care Trust
	Laura Moynahan	Netherthorpe & Upperthorpe Community Alliance
	Mark Edgell	Rotherham MBC
	Martin Winter	Doncaster MBC
	Pat Collins	ODPM
	Paul Jagger	Trade Union Congress
	Jan Wilson	Sheffield City Council
	Stephen Houghton	Barnsley MBC
	Steve Chamberlain	South Yorkshire Police
	Jim O'Kane	DWP
	Sylvia Yates	Government Office, Programme Directorate
	Alan Austwick	Norwest Holst Construction Ltd
	John Popham	Dearne Valley College
	Paul Tullett	Environment Agency
	Penny Hemming	CBI

In attendance:

	Kevin Bennett	Government Office, Programme Directorate
	Jayne Crosse	Government Office, Programme Directorate
	Ruth Middleton	Government Office, Programme Directorate
	Julian White	Government Office, Programme Directorate
	Anna Oates	Government Office, Programme Directorate
	Ged Fitzgerald	Rotherham MBC
	David Marlow	Doncaster MBC
	Michelle Faulks	University of Sheffield
	Mitesh Dhanak	ODPM
	John Triniman	MTL
	Peter Wells	LMU

	Tony Goulbourn	SYIF
	Neil Hickling	Jobcentre +
	Steve Arnott	DWP
	Anthony Holmes	DTI
	Ginny Walker	Yorkshire Forward
	Graham Joyce	Barnsley MBC