

LOWLANDS AND UPLANDS SCOTLAND PROGRAMME MONITORING COMMITTEE

The LUPS PMC met on 28 October 2009 in Edinburgh. This was the seventh meeting to date and the fourth meeting this year. This note reports on the main items of business.

The formal minutes of the meeting will be published in the normal way following their approval at the next PMC meeting on 17 March 2010.

Main Items

- ♦ The Committee received a comprehensive update on financial and physical progress in implementing the LUPS ERDF and ESF Programmes. Good progress is being achieved on both Programmes although there are disparities between Programme Priorities with for example low levels of activity under ERDF Priority 4, Rural Development. Committee members were advised that it was proposed to convene a workshop in November/early December to explore potential eligible project ideas within this priority.
- ♦ It was confirmed that the financial discipline of achieving spend to agreed deadlines remains a regulatory requirement for the 2007-2013 programming period with the risk of automatic de-commitment in the event of non-compliance.
- ♦ PMC members received a further update on progress in establishing a JESSICA Fund for Scotland and an indication of increased demand under ERDF Priority 3, Urban Regeneration. Significant progress has been achieved in the development of JESSICA with the Memorandum of Understanding signed between Scottish Government and the EIB. Also, with regard to the capitalisation of the Holding Fund, this is progressing positively with an initial capital call of £30m (including £15m ERDF) being agreed. The Committee also agreed that in addition to the ring fenced £25m ERDF, a further £10m ERDF would be committed to provide supplementary enabling grant support to JESSICA interventions.
- ♦ In view of the substantial investment of ERDF funds in the capital of a small number of strategic venture capital and loan funds (currently £53m under ERDF Priority 2, Enterprise Growth) supported VCLFs are required to provide performance monitoring information as a condition of grant. This information, in turn, will be presented annually to the PMC at its regular October meetings. Committee members were informed that all three strategic funds were investing ahead of annual targets and reporting demand exceeding supply.
- ♦ Consideration was given to the respective Advisory Group recommendations on 3 ESF and 5 ERDF projects that had been brought forward under the Exceptional

Projects Procedure. The PMC recommendations have been forwarded to Scottish Ministers who will make the final decisions.

- ♦ The Committee approved the detailed Evaluation Plan for Structural Funds, which has been agreed with the European Commission.
- ♦ The Committee also approved the suggestion that ESFD and IAB officials should hold workshops for project sponsors on the specific requirements for making successful claims. It was noted that, notwithstanding the significant amount of guidance available on this, some project sponsors continue to experience difficulties, and there would be merit in exposing them to best practice.

**Scottish Government/ESEP
October 2009**