



Lowlands and Uplands Scotland ERDF and ESF Programmes 2007 - 2013 Programme Monitoring Committee

JESSICA – REPORT ON PROGRESS

1. Purpose

- 1.1 To update the Committee on the work of the JESSICA Steering Group and to invite agreement to the recommendations set out in the feasibility study prepared by Ernst & Young.
- 1.2 The Programme Monitoring Committee (PMC) will wish to note the contents of the attached report and are reminded that members will receive a presentation on the work of the study team at the meeting on 27 May.

2. Steering Group

- 2.1 The composition of the JESSICA Steering Group was endorsed by the Committee at the meeting on 18 March 2009. Membership of the group has remained unchanged and is shown at Annex 1.
- 2.2 The Steering Group last met on 19 May and agreed to accept the recommendations of the Ernst and Young study team. The Group thanked the study team for delivering a comprehensive report against such a challenging timescale.
- 2.3 We are pleased to report that the consultants findings all point to the significant potential of a JESSICA funding model to assist and facilitate large scale regeneration schemes in Scotland. There are however, not surprisingly a number of technical areas which will require further investigation and detailed consideration but these are not seen as insurmountable.
- 2.4 Subject to PMC approval of the recommendations made at section 4 of this paper, the Managing Authority intend that the existing membership of the JESSICA Steering Group will form the nucleus of a Standing Advisory Group that will continue to work with us and the project sponsor to shape the delivery of JESSICA in Scotland. The composition of the Group will be further strengthened by the inclusion of policy experts involved in urban transport and environmental issues.
- 2.5 The aim of rolling forward the Steering Group's role is to continue the positive input from partners and to ensure that the application process and funding agreement attached to JESSICA is fully aligned with policy priorities and the regeneration landscape in Scotland. Specific areas of work will include:
 - ♦ Agreeing the terms of a Memorandum of Understanding and Funding Agreement with the Holding Fund manager
 - ♦ Considering detailed options on capitalising a Holding Fund
 - ♦ Developing draft investment criteria for agreement by the PMC
 - ♦ Input to the final proposals to widen the eligibility criteria of ERDF Priority 3

It is also clear that the delivery of JESSICA requires the development of a detailed project plan and the MA believe that this process would be enhanced by appointing a dedicated project manager. The MA and the project sponsor will consider options on how this can be achieved and bring forward a proposal to the next meeting of the proposed Standing Advisory Group.

3. Changes to Operational Programmes

3.1 The Managing Authority will circulate by written procedure a proposal on the extension of eligibility in ERDF Priority 3 and Priority 4 by end June, following input from the proposed Standing Advisory Group.

4. Recommendations

4.1 The Committee is invited to:

4.1.1 note the outcome and the recommendations of the feasibility study and specifically to agree;

4.1.2 that the MA should proceed to work up detailed proposals to deliver JESSICA, based on a Holding Fund model

4.1.3 that the MA work with the EIB to sign a Memorandum of Understanding as Holding Fund Manager.

4.1.4 that the MA consider the options for the appointment of a dedicated project manager to work with the Standing Advisory Group to deliver the outcomes specified in the JESSICA timeline shown at Diagram 2.3 of the feasibility study.

David Souter

Scottish Government

Tel: 0141 242 5633

Email: david.souter@scotland.gsi.gov.uk

May 2009

ANNEX 1

JESSICA Steering Group

Alisdair McIntosh (Replacement tbc) (Head, Regeneration Division, Scottish Government)

John Rigg (Head, European Structural Funds Division, Scottish Government)

Wilson Malone (Head, Enterprise Policy & Delivery Division, Scottish Government)

Stephen Gallagher (Scottish Enterprise)

Pat McHugh (Scottish Enterprise)

Mike Callaghan (COSLA)

Robin Presswood (SLAED – Scottish Local Authority Economic Development Group)

Jim Cunningham (Glasgow City Council)

Stan Ure (Dundee City Council)

Maureen McConachie (North Lanarkshire Council)

Ian Manson (Clyde Gateway URC)

Gordon McLaren (ESEP)

Koen Delanghe (European Commission)

Frank Lee (European Investment Bank)