

# **EAST OF SCOTLAND OBJECTIVE 2 PROGRAMME 2000 - 2006**

## **PROGRAMME MONITORING COMMITTEE**

**PROGRAMME EXECUTIVE OFFICES, ENTERPRISE WAY, CARNEGIE CAMPUS  
SOUTH, DUNFERMLINE**

**15 APRIL 2002**

### **Note of Meeting:**

#### **Present:**

Ms D McLafferty (Convener)	Scottish Executive
Ms J Palmer	Capital City Partnership
Cllr. Raymond Bisset	Aberdeenshire Council
Mr A Boyle	West Fife Enterprises Ltd
Ms L Jack	Scottish Enterprise Forth Valley
Mr R Sargent	SEPA
Ms R Grant	Scottish Fishmerchants Federation
Ms A Harvie	Aberdeen Chamber of Commerce
Ms S Rahman	Fife Racial Equality Council

#### **In Attendance:**

Ms R Lancry	European Commission (Directorate General for Regional Policy)
Mr G McLaren	Programme Management Executive
Mr C Brown	Scottish Executive
Mr P Smith	Scottish Executive
Ms P Hutton	Scottish Executive
Mr N Thomas	Programme Management Executive
Ms F Thomson	Programme Management Executive

### **1. Introduction**

- 1.1 The Convener welcomed everyone to the fourth meeting of the East of Scotland Monitoring Committee for the period 2000 - 2006. She asked the Committee to note that as a result of Cllr. Hamilton's resignation Cllr Jim Dunsmuir (Midlothian Council) would attend future meetings and that Graham McKee (Scottish Enterprise Tayside) had resigned and would be replaced by Joe Noble (Scottish Enterprise Fife).

## **2. Apologies**

- 2.1 Apologies were received from Sue Pinder (West Lothian College), Joyce Johnston (Fife College), Bob Smailes (Edinburgh University), Graham McKee (SE Tayside), Colin Smith (Angus and City of Dundee Tourist Board) and George Thomson (STUC).

## **3. Minutes of the meeting held on 10 September ES/PMonC/02/2/2001**

- 3.1 The Committee agreed the note as an accurate account of the last meeting.

## **4. Minutes of the special meeting held on 13 ES/PMonC/02/2/3 February 2002**

- 4.1 The Committee agreed the note as an accurate account of the meeting.

## **5. Matters arising**

- 5.1 Mr McLaren apologised to the Committee and explained that the revised Programme Complement would not be tabled at the meeting but would be issued as soon as the text had been finalised and the document re-formatted. He noted that some further amendments would be necessary once the issues regarding the Performance Reserve had been resolved.
- 5.2 Mr Brown noted that the final reports for the East of Scotland loan funds would be considered under item 12 but also informed the Committee of the progress of the Scottish Fund of Funds which was being created as a result of the re-alignment of RSA. He confirmed that there was likely to be a number of sub-funds, which might include a regional fund that would be eligible for ERDF co-finance.
- 5.3 Mr McLaren confirmed that letters inviting consultants to tender for the Voluntary Sector Needs Analysis project had been issued and that similar letters would be issued by the end of the week for the Training Infrastructure Review project.

## **6. AIR and ARD for 2001**

**ES/PMonC/02/2/5**

- 6.1 The Convener stressed the importance of the AIR and ARD documents and noted that the AIR was not yet complete. She invited Mr Thomas to outline the structure and contents of the AIR. In particular he drew the Committees attention to Chapter 4 that dealt with the financial commitment, actual spend and progress towards achieving the Programme targets. He expressed some concern about the target information, which in a number of cases suggested that the forecast Programme targets were likely to be significantly over achieved and in others that they did not reflect the breadth of activity eligible under the Measures.
- 6.2 Cllr. Bisset reminded the Committee of their concern at the last meeting with regard to N+2. The Convener confirmed that the additional guidance from the Commission discussed at the meeting had been received in draft form and was currently going through interservice consultation. Mr Brown stated that N+2 was a regulatory provision that the UK Government fully endorsed and it was unlikely that the principles with regard to low expenditure and de-commitment would alter.
- 6.3 Mr McLaren also commented that there were still issues with the quality and quantity of applications being received. In particular there was some evidence that there was less public sector co-finance available than was expected when the SPD was prepared. However, the current level of commitment across the Programme was higher than in some other Programme Areas but it was important that the expenditure profile was kept on target and that project applicants submitted regular claims.
- 6.4 The Convener suggested that it would be helpful to include a concluding paragraph in the ARD to highlight the main points and suggest possible actions. The Committee supported this and suggested that this final section should form the basis of an operational action plan for the following year, which could be followed up and monitored at future meetings. Mr Thomas also agreed to present future monitoring/progress reports by sector and region.

**Action point:** PME to complete AIR and include a section at the end of the ARD, which identifies the key issues and action points. The document will be circulate for agreement by written procedure within 2 weeks. All future monitoring/progress reports to be presented by sector and region.

## **7. Financial Progress Report on Expenditure and ES/PMonC/02/2/7 Commitment**

- 7.1 Mr Thomas outlined the paper, which presented the information on Programme expenditure and commitment as at April 2002. He noted that Measure 2.1 (Transition) was almost fully committed and that a number of applications had now been submitted under Measure 3.3 as a result of promotional activity by the PME. The main problems identified within the paper were the continuing delay in project implementation and the tendency of applicants to inflate target figures.
- 7.2 Ms Harvie noted that it was important to ensure that the target figures were realistic and achievable and that the information submitted by applicants within the claim forms was correct. Cllr Bisset expressed concerns raised by CED partners that there is a perception that the Programme is difficult to access and bureaucratic.
- 7.3 The Convener informed the Committee that a small working group had been reviewing the ERDF and ESF application and claim forms and it was hoped that the new streamlined versions would be piloted in the summer and ready for use in September 2002. The Committee agreed that any action taken to simplify the application and claim process would be valuable.

## **8. Mid Term Evaluation**

**ES/PMonC/02/2/8**

- 8.1 Mr McLaren outlined the contents of the paper and asked the Committee to note that the Day of Exchange referred to in par. 2.3 would not now take place as the Scottish Executive procurement specialist had advised that the contract be advertised in the OJEC and the event might be viewed as anti-competitive. All the Scottish Programmes were required to undertake mid term evaluations and would use the same Terms of Reference and timetable. The deadline for completion was 31 December 2003 but it was hoped to complete by June 2003 in order to incorporate the important Performance Reserve assessment.
- 8.2 The Convener confirmed that if the Evaluation was completed in June 2003 then it would be considered by the PMonC at their Autumn meeting and then by the European Committee of the Scottish Parliament.

**Committee Decision:** The Committee agreed the draft Terms of Reference and an indicative allocation of £30,000 from Technical Assistance to co-finance the project and noted that the Terms of Reference and budget might alter slightly before they were finalised.

**9. Co-ordination of Objective 2 ERDF and Objective 3 ESF ES/PMonC/02/2/9**

- 9.1 Mr McLaren outlined the key points of the paper and explained the mechanisms that now existed to ensure complementarity between the two Programmes and the 2 funds. The Convener noted that the decision by the Objective 3 PMonC to dispense with the indicative sub-regional allocations was a positive step forward and that now the Programmes were established the PME could spend more time on developing the linkages that would ensure effective co-ordination.
- 9.2 Mr Boyle thanked Mr McLaren for drawing out the points within the paper and suggested that at future meetings the Committee might consider the level of Objective 3 activity in the East of Scotland.

**Action point:** PME to provide information on ESF projects in the East of Scotland once the new MIS is in place.

**10. Technical Assistance - SCVO July 2000 - December 2001 ES/PMonC/02/2/10**

- 10.1 Ms Jack requested guidance on the procedure for dealing with possible conflicts of interest within the Committee, for example if a member works for an organisation that has applied for Technical Assistance. Ms Rahman suggested that a declaration of conflict of interests should be included in the Terms of Reference for the Committee.

**Committee Decision:** The Committee agreed the revised SCVO Technical Assistance application for the period July 2000 - December 2001

**Action point:** PME to revise the Terms of Reference for the Committee to include a statement on conflict of interests.

**11. Horizontal Themes - Key Policies Group ES/PMonC/02/2/10**

- 11.1 Mr McLaren reminded the Committee that at their meeting on 10 September 2001 they had agreed the Action Plan for mainstreaming Sustainable Development and had raised the issue of Equal Opportunities. In October 2001 the PME convened a meeting of the Sustainable Development Policy Group and a number of Equal Opportunities practitioners to examine the possibility of considering the two policy areas under one heading. In view of the holistic approach adopted in the East of Scotland

with regard to Sustainable Development, it was suggested that a new Key Policies Group be established to jointly take forward the mainstreaming of Sustainable Development and Equal Opportunities.

- 11.2 The Convener also noted that par. 3.8 detailed the appointment of a specialist advisor on Sustainable Development for all the Scottish Programmes and added that funding had now been agreed for a similar post for Equal Opportunities.

**Committee Decision:** The Committee noted the progress and endorsed the suggested approach to convene the Key Policies Group.

**12. Programme Complement** **ES/PMonC/02/2/11**

- 12.1 The Committee agreed to remove this item from the agenda.

**13. ESI/ETF - Final Reports** **ES/PMonC/02/2/12**

- 13.1 Mr McLaren informed the Committee that it was a requirement of the last Programme that the annual reports of the loan fund projects were submitted to the PMonC for consideration and comment. The Committee noted the contents of the reports and agreed that future reports relating to the invested money should be presented to them.

**Action point:** PME to present future reports from ESI and ETF to the Committee.

**14. AOB** **ES/PMonC/02/2/13**

- 14.1 Mr McLaren noted that a number of Annual Reports for the 1994 - 1999 Programmes and the Eastern Scotland RECHAR II Programme 1994 - 1999 had still to be finalised and submitted to the Commission. The Committee agreed that the reports should be completed by the end of May and further that they would be agreed by written procedure. Mr McLaren agreed to include a covering paper, which would identify the key issues.

**Action point:** PME to finalise reports and covering summary paper and circulate for agreement by written procedure.

- 14.2 Mr McLaren outlined the activity undertaken by the PME since the last meeting with regard to their involvement in the Twinning Covenant with the Czech Republic, which will end in December 2002. The Convener endorsed Mr McLaren's positive comments

and confirmed that Scotland had agreed to become a partner in a similar project, led by Finland, to support Estonia.

- 14.3 Ms Harvie requested that a membership list with contact details be circulated for information.

**Action point:** PME to circulate membership list.

## **15. Private Sector Involvement**

- 15.1 Ms Harvie raised a number of concerns put forward by the private sector with regard to their awareness and understanding of their eligibility to apply for Structural Funds. She added that it was her impression that there was a negative perception of the bureaucracy surrounding European Structural Funds. This was exacerbated by the complexities introduced by the Programme geographies and target sectors. She requested further information on the material used by the PME to market the Programme.

**Action point:** SE and PME to meet with Ms Harvie and Ms Jack to explore the role of the private sector within Structural Funds.

## **16. Date of Next Meeting**

- 16.1 21 October 2002 at the ESEP offices in Dunfermline.

**PROGRAMME MANAGEMENT EXECUTIVE  
EAST OF SCOTLAND EUROPEAN PARTNERSHIP  
MAY 2002**