

**MINUTES OF JPMC MEETING IN ST ANDREWS HOUSE – EDINBURGH
WEDNESDAY 30 NOVEMBER 2016**

In attendance:

Liz Ditchburn	Scottish Government (Chair)
Shane Rankin	Scottish Government
David Anderson	Scottish Government
Trudi Sharp	Scottish Government
Brenda Calder	Scottish Government
Lorna Gregson-MacLeod	Scottish Government
Ewen Scott	Scottish Government
Alistair Mitchell	Scottish Government
Katrine Feldinger	Scottish Government (secretariat)
Iain Scott	Scottish Enterprise
Stuart Black	Highland Council
Sharon Thomson	Glasgow City Council
Diane Greenlees	Skills Development Scotland
Lucy McTernan	Scottish Council of Voluntary Organisations
Ruth Nugent Neill	European Commission DG Regio
Joanna Grochowska	European Commission DG Emploi
Joanna Gawrylczyk-Malesa	European Commission DG Emploi
Nicolas Gibert-Morin	European Commission DG Emploi
Fiona Grossmann	European Commission DG Agri
Lesley MacDonald	Western Isles Council (VC)
Belinda Miller	Aberdeenshire Council (phone)

Apologies:

Alastair Buchan	Orkney Islands Council/Islands representative (sub)
Annemarie O'Donnell	Glasgow City Council/ SOLACE (sub)
Sarah Jane Laing	Scottish Land and Estates
Carroll Buxton	Highlands & Islands Enterprise
Vicki Swales	RSPB/EnvironmentLINK
Linda Rosborough	Marine Scotland
Liz Cameron	Scottish Chamber of Commerce
Martin Smith	Scottish Funding Council (sub)
Damien Yeates	Skills Development Scotland (sub)

No response:

National Farmers' Union Scotland
Scottish Salmon Producers' Organisation
Scottish Fishermen's Federation
Scottish Council for Development and Industry
SLAED (Edinburgh Council)
BIG Lottery Fund
STUC

Welcome

The Chair welcomed members to the meeting.

AGENDA ITEMS FOR DISCUSSION

Item 01: Minutes from meeting on 25 May 2016

Apart from a clarification on page 4 to indicate that ANC is widely used across the EU (albeit only in Scotland and NI in the UK), the minutes were accepted. All actions closed except the requirement to report on reasons for application rejections under EAFRD, which will be carried forward.

ACTION 01: Minutes to be amended for publication (complete)

ACTION 2: EAFRD reasons for application rejections to be circulated to membership for comment (complete)

Item 02: ESIF Programme Performance

Discussions around:

- Emerging levels of commitment and achievement, particularly around youth employment and the change in client group, make it more difficult to achieve projected results, and show need for adaptability within programmes
- Availability of match within local authorities being squeezed as discretionary spend lessens
- Ability of other match funders to come in, for example from third sector, may depend on support being available for them to understand and access programmes
- Some lead partners in a position to deliver more than anticipated and would welcome discussion on this
- Drop off in LEADER applications in light of uncertainty after EU referendum, this is now returning to expected levels
- Commission open to discussions around modifications of operational programmes to secure adaptability through programme period

Updates to the paper were requested for consistency around EAFRD numbers and ERDF activity; and for further financial breakdowns per region and per priority of the programmes for future iterations. Other actions agreed as linked to review, see item 7.

ACTION 03: update paper prior to publication

Item 03 verbal updates from committees

Updates received from Rural Development Operational Committee and Highlands and Islands Territorial Committee, with particular concerns around longevity of funding in light of vote in favour of leaving EU and match funding availability.

Item 04: ESIF Programmes Risk Register and Issues log

- Discussion focused on the identified risk around changing behaviours to match new control systems, and that this was seen as increasing through a combination of activity between 2007-13 and 2014-20 overlapping and through assumptions about having understood the new system. MA for Structural Funds agreed to monitor this closely and report back at next meeting on main themes coming out of ongoing system checks with Lead Partners.

- Local Authority representatives suggested the risk rating allocated to match funding should be amber not green.
- The European Commission asked for the emerging performance issues around YEI to be added as a wider performance risk, where failure to adapt the programme increases this risk.

ACTION 04: MA to revise the Risk Register and Issues Log report back on main themes from system checks.

ACTION 05: update risk register to include performance risk of YEI and match funding risk to be upgraded to amber. Circulate with draft minutes for further comment (complete).

ITEMS FOR DECISION

Item 05: EAFRD proposal for OP modification

- Proposed modifications noted as largely technical and definitional changes to some measures.
- RDOC has been consulted in detail
- A further modification is expected next year in response to the recent Autumn statement, the resulting Scottish budget and any impacts on SG's co-financing of the EAFRD programme.

OPINION: JPMC CONTENT TO APPROVE MODIFICATION AS PROPOSED.

Item 06: ERDF and EF Allocation of additional funds for H&I

- €4 million additional allocation is the result of planned review of multi-annual financial framework
- Members keen to see consideration of this funding in parallel with review (item 7)
- Acceptance of UK overall limit that ESF must represent 45.9 % of funding
- Timing issues noted around local government elections in May, which may make it difficult to engage partners from March onwards

ACTION 06: MA to consult, particularly with H&I partners, on most appropriate areas of spend, align with main programme review, and seek agreement to OP modification no later than 30 June 2017, by written procedure if required.

Item 07: ERDF and ESF proposal for review

Review explained as required in order to respond to Brexit timescales as well as sense-check direction of programmes. Scope and remit will cover match funding, treatment of existing and viable operations (rolling forward), and new areas of need and demand. Review does not preclude need for formal, more mid-term review in 2019 which will cover the period from 2014 to 2018.

- Evidence should go beyond lead partners and into delivery chain, SCVO offered to facilitate this
- Use of existing groups suggested, e.g. coordinating groups or monitoring and evaluation group, to speed up arrangements
- Proposed timetable to be revised to report to JPMC by end of June 2017 for conclusions to remain in line with H&I allocations and need for certainty of planning for partners

DECISION: JPMC APPROVE REVIEW

ACTION 07: MA to establish steering group immediately, building on existing governance arrangements where possible.

Item 08: ERDF and ESF proposal for use of technical assistance

- Proposal for support service for smaller organisations to access funds through lead partners
- Decision required noted as two-part: seek views on need for a proposed service to assist third sector to access funds, and if need is robustly identified, seek agreement to OP modification in writing
- Discussion on potential for support welcomed. Different member views ranging from a definite need for service to requiring due consideration in order for a service not to overlap with Lead Partner and MA roles
- Timescale to be considered in light of both review and the need for a procurement process. Ideally, this should allow smaller organisations a substantial role in the second half of the programme
- Service to be considered in light of Brexit, and whether this may set unreasonable expectations for a continuation of funding which is not clear
- Other areas of possible Technical assistance spend noted, including transnational support for innovation (also reported by HITC), joining up of monitoring arrangements, and mentoring of smaller organisations by larger ones involved in the programmes

ACTION 08: MA to take forward consultation with partners in line with review, but aiming for earlier conclusions to permit procurement if service is deemed necessary.

ITEMS FOR INFORMATION

Items 09, 10 and 11: Operational Updates on EAFRD, EMFF and ERDF/ESF

Papers noted without comment.

AOB

None.

Next JPMC meeting to be considered in light of local government elections and substantial items of business including review and additional allocations. Provisional date 25 May 2017 in Edinburgh.

ACTION POINTS FROM JPMC MEETING

	Action	Owner	Completed
1	Minutes from 25/5/16 to be amended for publication	Secretariat	Complete – published January 2017
2	Rejection of applicants in some schemes including food processing and crofting, analysis of this was being undertaken and would be sent to the Committee in correspondence.	Agricultural MA	Complete – paper circulated with minutes
3	Update progress report paper prior to publication	Secretariat	Complete – published January 2017
4	Revise the Risk Register and Issues Log report back on main themes from system checks.	ESF/ERDF Managing Authority	Risk register re-circulated with draft minutes; Update on systems checks scheduled for next JPMC
5	Update risk register to include performance risk of YEI; and match funding risk to be upgraded to amber.	Secretariat	Complete, circulated with minutes
6	MA to consult, particularly with H&I partners, on most appropriate areas of additional spend, and seek agreement no later than 30 June 2017	ESF/ERDF Managing Authority	Planned for March 2017
7	MA to establish Review steering group, building on existing governance arrangements where possible.	ESF/ERDF Managing Authority	Complete
8	MA to take forward consultation with partners on uses for technical assistance, but aiming for earlier conclusions to permit procurement if necessary.	ESF/ERDF Managing Authority	underway

**JPMC Secretariat
 7 December 2017**