

**MINUTES OF JPMC MEETING WEDNESDAY 22 NOVEMBER 2017
ST ANDREWS HOUSE – EDINBURGH**

In attendance:

Mary McAllan	Scottish Government (Chair)
David Anderson	Scottish Government
Louisa Harvey	Scottish Government
Kirsten Beddows	Scottish Government
Gillian McDonald	Scottish Government
Pete Carlyle (minutes)	Scottish Government
Stuart Black	HOPS (Highland Council)
Sharon Thomson (sub)	SLAED (Glasgow City Council)
Lesley McDonald (sub)	Scottish Islands Local Authorities
Lucy McTernan (sub)	Scottish Council of Voluntary Organisations
Carroll Buxton	Highlands & Islands Enterprise
Christine Mulligan (sub)	Skills Development Scotland
Fiona Grossmann	European Commission DG Agri
Joanna Gawrylczyk-Malesa	European Commission DG Emploi
Sabine Germe	European Commission DG Regio

Apologies:

Liz Ditchburn	Scottish Government
Iain Scott	Scottish Enterprise
Martin Sime	Scottish Council of Voluntary Organisations
Mark Bevan	Scottish Council for Development and Industry
Pamela Smith	SLAED
Sarah Jane Laing	Scottish Land and Estates
Vicki Swales	EnvironmentLINK
Diane Greenlees	Skills Development Scotland
Alistair Buchan Council)	Scottish Islands Local Authorities (Orkney Islands

No response:

NFU Scotland
Scottish Salmon Farming Industry
Scottish Land and Estates
Big Lottery Fund
Scottish Chambers
Scottish Funding Council
Scottish Trades Union Congress
Scottish Fishermen's Federation
SOLACE

Item 01: Welcome and Introduction

Noted that Lucy McTernan replaces Martin Sime as JPMC member from SCVO following his retirement.

AGENDA ITEMS FOR DISCUSSION

Item 02: Minutes from meeting on 14 June 2017

The minutes were accepted. All actions closed or addressed through agenda items.

Item 03: ESIF Programme Performance against Partnership Agreement

Reported that levels of commitment are largely as anticipated for both ESF and ERDF with £395m committed. Submissions for phase 2 ESF/ERDF will be accepted from Jan 2108 with aim to be fully committed by March 2019. Pace of claims and progress towards targets remains slow. This is due in part to the increased levels of detail and scrutiny required by EC Regulations which is taking Lead Partners (LP) longer to prepare and the Managing Authority (MA) longer to check. Increasing familiarity with processes and the EUMIS system is improving this.

De-commitment of ESF/ERDF funds likely due to EC $n+3$ rules, and noted largely as a result of a significant drop in youth unemployment levels and its impact on YEI ability to deliver. Commitment towards the targets is anecdotally reported as reasonable but actual reported progress reported on EUMIS is slower.

SRDP runs annual application rounds and is impacted by the uncertainty brought on by Brexit and commitment and investment under priority 5, Woodland Creation, is low. No issues in achieving $n+3$ for this programme. LEADER is seeing changes of pace with some projects speeding up or slowing down as a result of uncertainty around Brexit. Overall felt to be still on target.

Agreed crucial that funds are publicised as available, new applications are encouraged and open channels of communication exist between SG and LPs to allow an accurate picture of what remains still to be achieved and how to plan ahead.

ACTION 01: Update membership list with Lucy McTernan as SCVO representative

ACTION 02: Provide graphical presentation of performance data from next JPMC

ACTION 03: Add EMFF figures to performance framework paper

ACTION 04: Maintain regular communication with LPs on progress against performance framework, claims and $n+3$.

ACTION 05: Publicise the continued availability of the ESF/ERDF funds

Item 04 Update on Programmes

YEITC: Noted that since the programmes were adopted the Youth Employment rate has dropped from over 20% to just under 10% in south-west Scotland. This has caused LPs to struggle to find young people to support resulting in a shortfall of £16 million within YEI (if all submitted claims are paid) this year and will result in a de-commitment to the programme. How $n+3$ is measured (at Programme or fund level) will determine the level of de-commitment to the ESF programme. The YEI targets are reported as being on track to be

met. The MA will review YEI in 2018 including re-allocating the ESF portion of the YEI allocation if possible.

RDOC: Reported that the Programme is progressing well, with good levels of commitments and spend. There continue to be on-going budget pressures and the JPMC had previously been made aware of Ministerial decisions to amend the SRDP indicative scheme budgets. Key issues noted were uptake to the Broadband Scheme is slower than anticipated due to the announcement of the R100 programme; and, Ministers have decided to close the Environmental Cooperation Action Fund due to audit concerns. However, it is hoped to deliver landscape scale environmental projects through other avenues.

The Error Rate Action Plan was also highlighted as an issue, as audit error rates for land based measures were high, and action is being taken to address this.

Further detail on individual scheme performance was available from the published RDOC papers: <http://www.gov.scot/Topics/farmingrural/SRDP/SRDP2014-2020RDOC/RDOC-2017-papers>

LEADER: Work continues in promoting LEADER including weekly Film Promotions and monthly newsletters. Despite a slow start the Local Action Rural Communities IT System (LARCS) now has over 860 applications of which 365 are approved live projects with a further 70 awaiting approval. In addition to IT Training there have been a number of successful workshops delivered to both Local Action Groups (LAGs) and accountable bodies with positive feedback received throughout. Of the 21 LAGs, 16 have committed more than £1 million of their funding. Requests have been made for Budget Forecast Spend information in order to more accurately predict and report on spend to date. Some concerns have been raised as a result of Brexit with some areas stating they will not deliver projects beyond March 2019.

HITC: Meeting of 2 November discussed the lower uptake in Highlands and Islands through challenge funds and grant schemes due to issues including availability of match funding. The changes to the Operational Programmes will help and some lead partners, such as Transport Scotland have launched a specific H&I challenge fund with lower thresholds. The practicalities of the timescale and delivery of Phase 2 led to a call for a working group to look at phase 2 and delivery. Discussions on progressing this are in hand.

ACTION 06: Provide JPMC with selection criteria for Phase II

ACTION 07: Examine how to focus on harder to reach groups and use the funds in a more focused way

ACTION 08: Options for amended governance for ERDF/ESF accepted. Look to set out planned structure for consideration

ACTION 09: Set up working group as discussed in HITC to discuss Phase 2 allocations

Item 05: Update on Operational Programmes Changes (ESF/ERDF)

Operational Programmes amendments were submitted to the EC in September with ERDF approved on 16 November. ESF expected to be approved by mid-December.

Noted that the increased scope under ERDF Investment Priority 1b will contribute to an SI to support NMIS and will be run as a Challenge Fund. Discussions are underway to identify a lead partner for Culture and Heritage (investment priority 6C) and SCVO and Highland Council both advised they would be happy to be considered. Mental Health was raised as

part of the review and fits within the scope of the Operational Programme however it is proving difficult to find a suitable fit with ESF. Some work is already delivered through the pipelines. Opportunities to support discussed with colleagues but no suitable programme of work has been identified.

Phase 2 applications will be sought from January for SI and operation extensions. New SI and operations should be submitted from March. The MA Approval Panels will take place every 6 weeks. A review of remaining funds will take place over the summer to allow the maximum possible level of commitment.

ACTION 10: Identify suitable lead partner(s) for Culture and Heritage (priority 6C)

ACTION 11: Outline all recommendations from review (Infrastructure, Culture and Heritage, Mental Health, Digital) and detail actions taken and position to date

ACTION 12: Follow up with Mental Health and Digital Skills colleagues to see if gaps can be identified and if interventions could be put in place to support this

Item 06: ESF & ERDF Risk Register & Issues Log

An updated risk register was provided taking account of comments made at the last JPMC. Noted that the Brexit risk remains unchanged due to a lack of any further detail. N+3 is now red for those reasons discussed under Item 3. Errors and Behaviours found in 2007-2013 Programme has increased to a rating of 16 following the performance of the recent audit.

ITEMS FOR DECISION

Item 07: Update on ESF & ERDF Technical Assistance

The last JPMC request that the MA look further into the level of third sector and community engagement in the programmes has not progressed due to business and time constraints. The MA has now issued a proposal to examine and identify areas where opportunity exists to bring forward third sector and community groups with a capacity to deliver. A meeting to discuss this proposal to follow JPMC.

ACTION 13: Provide a proposal to use TA to stimulate Third Sector involvement (challenge fund or other model to be considered).

Item 08: EAFRD Modification 4 – Proposed Changes to SRDP Programme

Three schemes are affected by the proposed modification of the SRDP. The modification is to reflect Ministerial decisions on the payments for the Less Favoured Area Support Scheme (LFASS) for 2018 to be reduced to 80%, the closure of ECAF, along with improvements to the Agri-Environment-Climate Scheme. It was noted that the changes to the LFASS payments were a requirement of EU Regulations, however, these regulations may be amended which would then delay the need to change LFASS until 2019. If this happened the LFASS requirements may change depending on budget availability.

DECISION: AGREED

ITEMS FOR INFORMATION

Item 09: EMFF Operational Update

Paper provided for information only.

ACTION 14: Provide an update on the low uptake of UP 3 and 6 within EMFF

Items 10: ESF & ERDF SI & Operation Selection Criteria

The recent EC audit mission to ESF/ ERDF asked whether the SI & Operation Selection and appraisal process had been agreed by the JPMC. No evidence was available in support that they had. These papers are provided as evidence of the process for agreement by the JPMC.

SI applications were shared on through the knowledge hub for phase 1 applications. Agreement is sought that performance information at operation level now be shared at the JPMC instead.

DECISION: AGREED

Item 11: AOCB

No additional business was raised for discussion.

Next JPMC meeting: Wednesday 30 May 2018

NB: a meeting request will be issued shortly for the full day. Times will be set at the start of May once members have confirmed they are attending and will be determined by members' travel times.

**JPMC Secretariat
24 NOVEMBER 2017**

ACTION POINTS FROM JPMC MEETING ON 30 NOVEMBER 2017

	Action	Owner	Date Due	Complete
1	Replace Martin Sime with Lucy McTernan as JPMC representative	Secretariat	Now	Complete – now Anna Fowlie
2	Provide Graphical presentation of performance data from next JPMC	Secretariat	Next JPMC	Complete
3	Add EMFF figures to performance framework paper	Secretariat	Next JPMC	Complete
4	Maintain regular communication with LPs to appraise them of our current progress against performance framework, claims and N+3.	ESF/ERDF Governance team/Growth teams	As part Lead Partner events/newsletters. Specific feedback on claims provided by growth teams	Complete
5	Publicise the continued availability of the ESF/ERDF funds	Governance team	Comms look at new website for next JPMC. Increase social media- ongoing	On-going
6	Provide JPMC with Selection criteria for Phase II	Secretariat	Written procedure – end Jan	Complete
7	Examine how to focus on harder to reach groups and use the funds in a more focused way	ESF/ERDF MA	Update next JPMC	To be provided at meeting
8	Options for amended governance for ERDF/ESF accepted. Look to set out planned structure for consideration	ESF/ERDF MA	31/12/2017	Agenda item 11-09
9	Set up working group as discussed in HITC to discuss Phase 2 allocations	ESF/ERDF MA	31/12/2017	Took place 20/12/17
10	Identify a suitable lead partner for Culture and Heritage (investment priority 6C)	ESF/ERDF MA	asap	SNH agreed
11	Outline all recommendations from review (Infrastructure, Culture and Heritage, Mental Health, Digital) and detail actions taken and position to date	ESF/ERDF MA	31/1/2018	To be provided at meeting
12	Follow up with Mental Health and Digital Skills colleagues to see if gaps can be identified and if interventions could be put in place to support this	ESF/ERDF MA	31/01/2018	To be provided at meeting
13	Use TA to resource a small team to stimulate Third Sector involvement (challenge fund or other model to be considered). Meeting post-JPMC, to be followed up by a separate proposal	ESF/ERDF MA	Proposal and timeline set out by 31/12/2017	Verbal update
14	Provide an update on the low uptake of UP 3 and 6 within EMFF	Secretariat	asap	Agenda item 11-11