

**MINUTES OF JPMC MEETING IN ST ANDREW HOUSE, EDINBURGH
WEDNESDAY 30 MAY 2018**

In attendance:

David Anderson	Scottish Government (Chair)
Louisa Harvey	Scottish Government
Kirsten Beddows	Scottish Government
Kenneth Robertson	Scottish Government
Stuart Black	HOPS (Highland Council)
Iain Scott	Scottish Enterprise (SE)
Christine Mulligan (sub)	Skills Development Scotland (SDS)
Anna Fowlie	Scottish Council of Voluntary Organisations (SCVO)
Carroll Buxton	Highlands & Islands Enterprise (HIE) (phone)
Gavin Bruce (sub)	Scottish Funding Council (SFC)
Evert Veltkamp	European Commission DG Emplo
Fredrick Tiger	European Commission DG Agri
Fiona Grossmann	European Commission DG Agri
Sabine Germe	European Commission DG Regio

Apologies:

Liz Ditchburn	Scottish Government
Mary McAllan	Scottish Government
Elinor Mitchell	Scottish Government
Ian Davidson	Scottish Government
Vicki Swales	EnvironmentLINK
Alistair Buchan	Scottish Islands Local Authorities (Orkney Islands Council)
Pamela Smith	SLAED (Falkirk Council)
Thomas Glen	SOLACE (East Dunbartonshire Council)
Bertie Armstrong	Scottish Fishermen's Federation
Grahame Smith	Scottish Trades Union Congress
Liz Cameron	Scottish Chambers of Commerce
Neil Ritch	Big Lottery Fund
Mark Bevan	Scottish Council for Development and Industry
Sarah Jane Laing	Scottish Land and Estates
Julie Hesketh-Laird	Scottish Salmon Producers Organisation
Scott Walker	NFU Scotland
Damian Yeates	Skills Development Scotland (SDS)
Martin Smith	Scottish Funding Council (SFC)

Item 01: Welcome and Introduction

The Chair welcomed members to the meeting, noting that Anna Fowlie, Fredrik Tiger and Evert Veltkamp were attending their first meeting of the committee.

AGENDA ITEMS FOR DISCUSSION

Item 02: Minutes from Meeting on 22 November 2017

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

Action point 13/Agenda item 06: LH provided a verbal update on the use of Technical Assistance at this point. CM noted that SDS would be running the next phase of the National Third Sector Fund programme from August. The outcome of the TA activity may influence the planning of their Phase 2 work, particularly with regard to ensuring third sector organisations in the Highlands and Islands are able to access the funds.

ACTION 01: ESF and ERDF MA: Share findings with SDS.

Item 03: ESIF Programmes Performance Against The Partnership Agreement

LH outlined the key points of the report; noting a slower pace of ESF and ERDF commitments; the decommitment of €22 million between the programmes after not meeting the *n+3* target; and concerns within EAFRD programme over the impact of the UK Government guarantee.

Members expressed concern with the guidance and compliance required for ESF and ERDF. Noted that whilst guidance was provided, the perception is that it keeps changing. LH explained that guidance was continuing to evolve based on experience of running the programmes and updates have been provided. Where this has meant retrospective changes, Members expressed concern about the impact on eligibility and effort required. Members commented that the risk of non-compliance is one factor in voluntary organisations receiving fewer funds than in previous programmes.

In response to a point about Members' experience of claims and whether they waited until paid by the Fund before paying delivery agents, CM noted that within the National Third Sector Fund, SDS pay organisations based on agreement between SDS and the recipient, rather than waiting for payment. This was a generally held approach, although noting that the length of time taken to approve claims was resulting in cashflow issues for some lead partners. CM also noted that evidence being provided by delivery agents was starting to improve, although two delivery agents remain behind schedule.

LH confirmed that the next lead partner event was scheduled for 19 June in Edinburgh with the events intended to improve the dialogue between the Managing Authority and lead partners. DA suggested that the MA could look to provide more support to lead partners if this would be helpful.

ACTION 02: ESF and ERDF MA: MA to consider ways of working with individual Lead Partners to improve the claims process.

ACTION 03: ESF and ERDF MA: To ensure SFC are invited to the Lead Partner event. **Completed, 30 May 2018**

Item 04 Update On Programmes, Reports From:

a. YEITC

Update from Youth Employment Initiative Territorial Committee provided, noting the fall in committed expenditure since the original approvals and the further fall since the committee met in February resulting from Scotland's good track record on youth employment.

GB set out that SFC had supported 7,000 students and activity to date had been fully funded by SFC. He commented that no claim has been paid, despite several resubmissions to the managing authority. He acknowledged that there was a greater shift in the evidence required than had been anticipated between the 07-13 and 14-20 programmes. This has now been clarified and SFC have allocated more resource to process the 2015/16 and 2016/2017 claims.

b. RDOC, Including Risk Register

Update from Rural Development Operational Committee (RDOC) provided, highlighting that detailed papers including information about performance of all the schemes supported are on the website <http://www.gov.scot/Topics/farmingrural/SRDP/SRDP2014-2020RDOC>

The New Entrants schemes, which have been identified by Ministers as a priority, are performing notably well, with the only area of particularly slow uptake being the delivery of the Broadband activity which had been largely overtaken by the Scottish Government's Reaching 100% commitment.

Currently confident of meeting 2018 N+3 target but possibly limited funds until the end of 2020, which will need to be managed. The Operational Programme modification approved last year has been implemented and is working well.

FG confirmed that for the Performance Framework targets at the end of 2018, only paid expenditure and not committed expenditure could be included towards the expenditure targets. Based on this, the MA are considering a change to the Operational Programme to revise the milestone targets.

ACTION 04: EAFRD MA: Any change to the Performance Framework in the Operational Programme to be proposed and agreed through written procedure.

An increasing risk has been identified around the proposed changes to LFASS. SB reported that this represented a risk to up to 11,000 businesses in the north of Scotland and expressed concern that the National Council of Rural Advisors (NCRA) should be included in stakeholder engagement from Scottish Government over changes to LFASS. KB confirmed that this would be reflected in plans agreed with Ministers on the stakeholder engagement around changes scheme.

ACTION 05: EAFRD MA: Ensure that stakeholder engagement includes the NCRA.

c. HITC

Update from Highlands and Islands Territorial Committee provided. The committee had discussed many of the same issues as raised in the discussion on the report on the Partnership Agreement (Item 03). Members noted difficulties in meeting N+3 and Performance Framework targets in 2018 and the progress which had been made in the Highlands and Islands component of pan-Scotland projects. SB emphasised the experience the project staff

had and the challenges of focussing on both claims and extensions. DA and LH acknowledged the challenges and the need to work together to maximise the rate of expenditure and impact of the programmes.

Item 05: ESF and ERDF Risk Register and Issues Log

DA outlined the key risks, highlighting in particular those which are rising or high. The biggest issues were agreed to be issues around the pace of expenditure and the difficulties facing the YEI activity.

The impact of match funding across the programme was discussed, noting that the match funding available was not as strong as in 2014 but that the Operational Programme changes were starting to have an impact.

Members highlighted the experience, particularly in the voluntary sector and Highlands and Islands, of the compliance regimes associated with Structural Funds is deterring applicants from seeking such funding. Noted that this will impact on the ability to secure full commitment of the funds.

DA advised he had recently received confirmation from the Audit Authority that the three reports received in 2017 which was assigned a category three rating had been reviewed and were now category two.

Item 06: Update on ESF and ERDF Technical Assistance

See item 02.

ITEMS FOR DECISION

Item 07: Annual Implementation Reports – ESF and ERDF

DA presented the AIRs and citizens' summaries for the ESF and ERDF programmes, noting that there was now sufficient activity underway that the citizens' summaries each included case studies on the activity being supported by the programmes.

Noted that the EAFRD AIR deadline was 30 June and a draft would be circulated by written procedure.

DECISION: Agreed

Item 08: Communications Strategy Refresh and Update

a. EAFRD

KB outlined the main points, in particular engagement on the future of the programme, especially LFASS and the impact of the UK leaving the EU.

DECISION: Agreed

b. ESF and ERDF

LH outlined the main points, including the plans for regular lead partner events and for the annual event to take place in August/September, probably with a focus on 30 years of Cohesion funding and the impact on the Highlands and Islands and to work on collecting case studies on the activity supported through the Poverty and Social Inclusion Funds. SB noted

that if the event was around the Highlands and Islands, it should take place there and offered the council chambers as a potential venue.

ACTION 06: ESF and ERDF MA: To discuss the hosting of the annual event in H&I.

DECISION: Agreed

Item 09: Review of Programme Governance Structure

Item for discussion as paper not circulated in advance.

LH outlined the basis of the proposed changes, outlining that the proposed system of four funds under one committee had not worked as anticipated, with representation from EAFRD and EMFF programmes at committee meetings minimal and the attendance from ESF and ERDF less than anticipated. Therefore, it had been identified that a change is required and two proposals have been suggested: 1) to split the committee to have an EAFRD Programme Monitoring Committee based on the existing RDOC and an ESF and ERDF Programme Monitoring Committee, with both committees receiving an update on delivery against the Partnership Agreement, or 2) to refocus the existing JPMC, with the potential for new members and reengaging senior members of the committee.

Discussion agreed that the committee was not working as anticipated and there was an uneasy pairing between the EAFRD and ESF/ERDF sides of the areas under discussion. The current HITC and RDOC meetings were seen as functioning better than the JPMC, with a clearer focus enabling better discussion.

There were some concerns about the detail of how the new arrangement would work and whether the composition of the RDOC included all relevant bodies.

ACTION 07: ESF and ERDF MA: To circulate discussion paper on the revision of the structure of JPMC and look to establish what would encourage members to re-engage. **Completed, 6 June 2018.**

ACTION 08: ESF and ERDF MA: To circulate a paper for decision by written procedure, proposing that any actions are undertaken before next meeting.

ACTION 09: EAFRD MA: To circulate membership of RDOC to members to review and identify any gaps, particularly if the JPMC is not continuing in its present form. **Completed, 6 June 2018.**

ACTION 10: ESF and ERDF MA: To review agenda for future meetings and include more scope for general discussion, rather than just providing papers for decision.

Item 10: Changes to ESF and ERDF Operational Programmes

DA outlined the proposed changes, following on from the decommitment at the end of 2017, and described that, in the papers circulated, the reduction had been applied evenly across the priorities. However the MA had considered the possibility of applying the full ESF decommitment to the YEI allocation, even though this would reduce the total value by €24 million, rather than €22 million, as it would result in no changes to the other ESF priorities in the More Developed area, allowing the phase 2 awards to be made based on the current programme values. Noted that this approach would not affect the Transition area. Members agreed this was a better option.

ACTION 11: ESF and ERDF MA: To update and circulate alternative ESF paper agreed in principle and confirm OP changes.

DECISION: Agreed for MA to proceed with the changes, pending circulation of the alternative approach.

ITEMS FOR INFORMATION

Item 11: EMFF operational update

Noted.

Item 12: SME Holding Fund Performance Report 2017

Noted.

Item 13: AOCB

AF noted that the papers provided included a lot of complicated terminology and acronyms. Suggested that for both the ESF/ERDF and EAFRD papers, there were a number of areas where plain English principles and/or a glossary for new members would be useful.

ACTION 12: ESF and ERDF MA, EAFRD MA: To ensure plain English used and/or provide glossary for new members or for future meetings.

Item 14: Date of next meeting

Pending changes discussed at item 10, the next meeting will take place **14 November 2018**, St Andrew's House, Edinburgh.

ACTION POINTS FROM JPMC MEETING ON 30 MAY 2018

	Action	Owner	Completed
1	To keep SDS up to date with findings from the TA work.	ESF and ERDF MA	Uncertainty over deal/no deal on EU Exit have meant that TA work has not been progressed.
2	MA to consider the potential for support sessions with Lead Partners.	ESF and ERDF MA	Ongoing.
3	To ensure SFC are invited to the Lead Partner event.	ESF and ERDF MA	Completed, 30 May 2018.
4	Any change to the Performance Framework in the Operational Programme to be proposed and agreed through written procedure.	EAFRD MA	Completed, 28 September 2018.
5	Ensure that stakeholder engagement includes the NCRA.	EAFRD MA	Action on-going.
6	To discuss the hosting of the annual event in H&I.	ESF and ERDF MA	Completed, 1 Oct 2018.
7	To circulate discussion paper on the revision of the structure of JPMC and look to establish what would encourage members to re-engage.	ESF and ERDF MA	Completed, 6 June 2018.
8	To circulate a paper for decision by written procedure, proposing that any actions are undertaken before next meeting.	ESF and ERDF MA	Completed, 6 June 2018.
9	To circulate membership of RDOC to members to review and identify any gaps, particularly if the JPMC is not continuing in its present form.	EAFRD MA	Completed, 6 June 2018.
10	To review agenda for future meetings and include more scope for general discussion, rather than just providing papers for decision.	ESF and ERDF MA	Completed, 1 Oct 2018.
11	To update and circulate alternative ESF paper agreed in principle and confirm OP changes.	ESF and ERDF MA	Completed, 6 June 2018.
12	To ensure plain English used and/or provide glossary for new members or for future meetings.	ESF and ERDF MA, EAFRD MA	Completed, 1 Oct 2018.

**JPMC Secretariat
12 JUNE 2018**