

From: DCLG
To: Merseyside Phasing In Sub Committee
Subject: MINUTES FROM THE MEETING 18 June 2013

Present:

MPISC Members & Alternates

Cllr Phil Davies (Chair)	LMC	Wirral BC
Kath Boullen	KB LMC	NWCCI
Cllr Dave Cargill	DC LMC	Halton BC
Andy Churchill	AC Network for Europe	
Paul Dickson	PDi LCR LEP	
Val Jones	VJ LMC	SENW
Alison Thornber	AT HEI	LJMU
Kush Thakar	KT Private Sector	Liverpool Chamber

DCLG

David Read	DR
Nicola Lavin	NL
Mike Henesey	MH
Ruth Hollis	RH

Observers

Neil Clatworthy	HEI
-----------------	-----

Apologies

Flo Clucas	LMC	European Adviser, LCC
Martin Eyres	LEP	Liverpool City Council
Huw Jenkins	Merseytravel	
Nigel Weatherill	HEI	LJMU

Minutes of the Meeting 7 March 2013

- i. In the Matters Arising from the meeting on 22 November 2012, AT had advised of an evaluation of energy-saving housing improvements on the householder and offered to circulate that information. AT advised the evaluation had centred on added value rather than ERDF; the resulting report highlights the initial findings and will be forwarded to members when complete.

The minutes were accepted as a true record.

The Chair then welcomed Kush Thakar to his first MPISC meeting.

Matters Arising from 7 March 2013:

Action:

PDT to provide report of JESSICA negotiations with EIB.

Item 3 on the agenda includes this.

PDT to review details in Merseyside Project Performance paper.

This has been implemented.

Declarations of Interest

None were declared.

Item 1: Programme Performance

DR introduced the paper. 100% commitment is anticipated by the end of August, 105% by the end of October.

- 1.1 KB queried the indicator position. DR replied it is hoped through working with applicants these will be achieved. It is probable the business climate is a contributory factor to the current shortfall; it is for delivery partners to identify barriers to achievement.
- 1.2 VJ felt a delay with indicators is unavoidable as results can take some time to compile.
- 1.3 MH reported on Merseyside projects.
- 1.4 AT stressed the importance of the major projects, SFB and Bio-Innovation, and development as a cluster rather than individual projects.
- 1.5 NL noted if the pipeline is fully committed there will still be a shortfall of projects. DR felt a speculative call would be a useful indicator of potential projects. Extensions to existing projects will not be eligible for this call as these will be treated differently.
- 1.6 The Chair suggested the Technical Group do some work on providing a list of projects. DR added this would aid Merseyside in tailoring their forward strategy.
- 1.7 AT suggested as the time scale for the call is tight it is important the criteria are clear. DR advised for these to be prioritised by the LEP in addition to providing LEP endorsement for projects to progress.

- 1.8 KB noted a lot of work is created by project calls and asked if there was a short document, Expression of Interest (EoI) outlining vital elements, which applicants could complete. AT echoed the view. DR advised Merseyside partners can build an EoI element into their process however this will need to be managed outside DCLG's standardised process.
- 1.9 Concluding discussions, the Chair considered a speculative call to be necessary, focusing on priorities already agreed by LEPs; PDi to work with NL and MH on the content of the call and outline EoI.
- 1.10 Martin Eyres, Chair of Merseyside Technical Group, to provide confirmation to DCLG on the speculative call criteria to be sure they meet Merseyside requirements.

Action:
PDi to work with DCLG on drafting the Merseyside speculative call and process.

Conclusion:
DCLG to issue speculative call across all Priorities in Merseyside.

Item 2: JEREMIE Update

DR outlined JEREMIE progress. The overall rate of investments is to target, but the Merseyside investment rate is below 40%.

- 2.1 KB noted the Access to Finance project is no longer available on Merseyside, and this would impact on the pipeline to the NWF.
- 2.2 AT commented the papers indicate a succession of small investments, which is good to see, but also show that it is not easy for companies to find funding. DR advised there is clearly a gap for follow-on funding. AT felt funds did not address investments less than £50K.
- 2.3 DR advised it is up to partners to approach NWF with a clear picture of what is required in supporting LCR priorities and SMEs in accessing support to business growth.

Item 3: JESSICA Update

DR outlined the paper. Chrysalis is behind investment profile. HCA/EIB have put forward 3 options for the redeployment of part of the funds; Option 3 involves retrofitting to social housing, but this is not in accordance with the NWOP.

- 3.1 After a brief discussion, in view of the short timescale for investment, the Chair concluded Option 1 was the course to follow. Members agreed. The Chair is to discuss this with HCA and the LEP is to develop pipeline of P3 and P4 projects should funding be returned from Chrysalis.

Conclusion:

MPISC members agreed that Chrysalis need to make further investments by end of September. Speculative call will identify pipeline projects should we need to proceed with Option 1 in the paper: Return of funds to the programme for reinvestment as grant.

Actions:

Cllr Phil Davies to discuss with HCA impact of removal of funds from Chrysalis for reinvestment as grant.

LCR LEP to develop P3 and P4 project pipeline.

Item 4: Report on Merseyside Project Performance

MH reported there are no major issues on Merseyside project performance. DR went through the paper.

Item 5: Report on Project Development

This was discussed under Item 1.

Item 6: Financial Instruments for Social Enterprise

VJ reported that there have been ongoing difficulties in traditional lending to Social Enterprises including The North West Fund. Banks are unable to lend due to the legal structures of Social Enterprises. Existing social investment banks are not investing in the North West.

The Social Investment Bank (SIB) has agreed to trial a social investment fund in two LEP areas, Liverpool city region and Nottingham. VJ explained that as part of the negotiations SENW made the case for the pilot in Liverpool City Region and had discussed with individuals from DCLG, the Mayor's Office, Liverpool LEP, whilst the SIB have discussed with DCLG at a national level.

The need for the investment will be critical in ensuring the success rate of businesses generated through the BEiC project.

6.1 DR considered this could be activity submitted as part of the speculative call and linked to earlier discussion around Access to Finance for the Social Enterprise Sector.

Item 7: Report from Technical Group

AC suggested most of the content had already been covered in discussions. A lot of work has been done towards post-2013. The Merseyside submission was comprehensive in comparison to some. Around 33 of the 39 LEPs have responded.

- 7.1 DR felt there was a challenge for Liverpool to consider the national opt-in models and be clear about what is wanted out of the services.
- 7.2 The Chair noted the outline proposal has been submitted and there is a lot of work going on in the LEP towards the full proposal.
- 7.3 DR advised the next stage will be the issue of detailed guidance by DCLG. It will be up to the LEPs to ensure the scope of their submissions is wide enough to cover all parameters. It is not clear if there will be feedback from the submissions. National initiatives under opt-in model being proposed and the LCR LEP should consider how these fit.

Item 8: Post 2013 European Funding

The Chair reported that Merseyside is currently lobbying Government about funding, there being some concern that the Merseyside allocation is being reduced. An inconclusive visit with Michael Fallon (Minister for Business, Innovation & Skills) will be followed up by a detailed letter. The Mayor of Liverpool has also written to Michael Fallon. There are fears the cut may be as much as 65%. An announcement is anticipated soon.

- 8.1 DR advised there is a 5% cut on the overall budget, with some historic north/south divide of ERDF funding for the North, ESF for the South. Philip Cox has advised that the possible top slice for a range of national initiatives is not now proposed.

Item 9: AOB

Owing to rescheduling of various committee meetings in September, the Chair asked RH to confirm to members the date of the next MPISC meeting.

**Action:
DCLG to confirm date of next MPISC meeting.**

There being no other business, the Chair thanked members for their attendance and closed the meeting at **15.20**.

Date & venue of next meeting: **Monday 23 Sep 10.30 – 12.30**
LCR LEP
Princes Parade
Liverpool
L3 1PG

Minutes agreed by MPISC.

Signed **Cllr Phil Davies**
(Chair)
Wirral Borough Council

Date