



Full Members Present	Representing
Terrie Alafat (Chair)	DCLG
Cllr Roger Phillips	Marches LEP
Tony Bray	BIS
Cllr Sir Albert Bore	Greater Birmingham LEP (has to leave at 12:10)
Sue Crow	Worcestershire LEP
Renaldo Mandmets	European Commission
Norman Price	Birmingham Science City
Nigel Senior	Stoke & Staffordshire LEP

Deputies	Representing
Andy Williams	Cllr Ann Lucas / Coventry & Warwickshire LEP
Sue Crow	Cllr. Simon Geraghty

Observers	Representing
Mark Foley	DCLG
Ian White	DCLG
Glyn Darbyshire Evans	DCLG
Anna Vinsen	DCLG
Michelle Egan (minutes)	DCLG

Apologies	Representing	Deputised by
Cllr Ann Lucas	Coventry & Warwickshire LEP	Andy Williams
Cllr. Simon Geraghty	Worcestershire LEP	Sue Crow
John Latham	Coventry University	None
Cllr Philip Atkins	Stoke & Staffordshire LEP	





Item 1: Welcome and Introductions Minutes of previous meeting and actions arising (Norman Price)	Action
<ol style="list-style-type: none">1. Terrie Alafat welcomed members to the meeting of the West Midlands Local Management Committee. This is the last meeting of the LMC. Members were thanked for their contributions over the lifetime of the programme and it was suggested that the group continue to meet as a technical group going forward as formal arrangements will change as we move into the new programme.2. The previous minutes were deemed an accurate and true record of the meeting.	
Item 2: Programme Update (Glyn Darbyshire-Evans)	Action
<ol style="list-style-type: none">3. Glyn Darbyshire-Evans presented a paper summarising the position of the West Midlands Programme. N+2 was achieved and declaration to the Commission was £15.2m, which was ahead of target thanks to the hard work of staff and partners. Norman Price congratulated everyone for their effort in achieving such a positive result.4. Glyn Darbyshire-Evans advised that the Programme commitment level was at 98%with 1.7% in the pipeline. A Project Change Request exercise will recommit and review commitments, which will have an impact, but there is still work to be done.5. Outputs are making good progress - several targets have been exceeded and others are on track. More focus will be placed on outputs in the AIR, but progress in good.6. Terrie Alafat queried the public sector leverage definition, which has had an impact on the ability to deliver this. Glyn Darbyshire-Evans explained that this was due to a standardisation of the definition, which is now more restrictive and won't allow us to count all of our Public/Private Sector leverage. We may need to reduce the target with the Commission, but this hasn't been helped with the economic climate.	





Item 3: Re-profiling Exercise (Mark Foley)	Action
<p>7. Mark Foley gave an update on the re-profiling exercise, which was undertaken each year to reconcile budgets and take account of slippage. We are now in the final year of the programme and other considerations need to be taken into account. Poor profiling in the past has created significant slippage of £18.5m into 2015. There has been voluntary de-commitment of £5.8m but a request for additional funds of £21m. In this final year we need to consider the risk of over commitment, which hasn't been such an issue in previous years. The 2000-2006 programme is still not closed and there are significant liabilities that need to be addresses. This reduces the MA's appetite to over commit.</p> <p>8. Mark Foley reported that 3 options that have been presented to the Change and Delivery Board for consideration:</p> <ul style="list-style-type: none">• Do nothing - this will not deliver the programme and there will be a £27m underspend.• Agree everything requested – this will overcommit the programme by£16.5m, which is not acceptable. This figure would increase with the reduced value of the programme.• Preferred option – Capital projects to be considered in isolation – in this scenario all slippage can be agreed. This would enable us to commit 100% of the programme but we cannot approve expenditure beyond June 2015. <p>9. Mark Foley also confirmed that the project calls for the 2014-2020 programme will be launched in March 2015 so we can start delivering activity as soon as possible.</p> <p>10. Andy Williams asked whether 2007-13 projects that are due to close in September 2015, but have submitted an application in the 2014-20 March call could be extended until the end of December to assist with 'bridging the gap' between programmes. Mark Foley confirmed that this could not be agreed as the MA will not accept the risk but will prioritise projects in the new programme where activity needs to continue on from 2007-13 programme.</p>	





Item 4: Audit and Monitoring Update (Glyn Darbyshire-Evans)	Action
<p>11. Glyn Darbyshire-Evans provided an update on the Audit and Monitoring position. There are challenges resulting from N+2 as we have to withhold payments for the declaration until irregularities have been concluded. This will continue as we approach closure. £20m has been identified to date but the actual figure will be much lower.</p> <p>12. Glyn reported that there have been 21 Article 16 visits. The Midlands the local error rate is 1.24% compared to 2.4% nationally. This is much lower than anticipated for the third year running. A financial correction of £3.7m will be required to bring the figure under the 2% threshold. This limits the risk of an interruption to the programme.</p> <p>13. The 2015 report has selected 18 projects for an Article 16 visit, which will test £29m. One significant change has been how the Audit Authority has calculated the irregularity rate. There are now three rates – High, Medium and Low. The West Midlands has been rated as High risk, which is at odds with our local error rate.</p> <p>14. Mark Foley stated that the current error rate is a good news story and gives a clear indication that our partners are doing a good job. Going forward we will look more closely in appraisal at key audit issues such as procurement.</p> <p>15. Terrie Alafat asked whether there were any lessons we could learn in the future. Mark Foley stated that he believed that the applicant assurance is excellent and the risk rating is only as a result of a couple of projects, where the audit was undertaken at the end of the year and so there was limited time to address. These issues could not have been foreseen as they are only checked at the Article 13 visits so were not picked up before the Article16 team visit.</p>	
Item 5: 2015 Communication Plan (Mark Foley)	Action
<p>16. Mark Foley reported that this is an annual requirement. A draft report has been circulated and asked for comments to be provided.</p>	<p>All to provide comments on draft communication plan by 6 March 2015</p>





Item 6: 2014-20 ESIF Programme Update (Mark Foley)	Action
<p>17. Mark Foley reported that a letter had been sent to partners from Lord Ahmed launching the 2014-2020 Programme. We are working with partners to rapidly develop calls for Priority 1, Priority 2, Priority 3 and Priority 4 as well as Technical Assistance.</p> <p>18. Mark Foley reported that all 6 LEPs in the West Midlands will launch March calls. He expects to finalise bidding template next week and launch on GOV.UK on 16 March with a contingency built in in the event of a delay.</p> <p>19. Mark Foley continued to report that there is a certain level of risk to this as the programme has not officially been approved by the Commission. Negotiation on Outputs and Results still need to be concluded and so numbers will be unknown before the calls are launched.</p> <p>20. Mark Foley informed members that there would be a temporary IT solution (LOGASNET) in place to manage the first round of calls. Call windows will run between 4-8 weeks. Technical Assistance calls will have a shorter timescale in advance of Purdah.</p> <p>21. David Rowe queried when the LEPs would get involved in project selection. Mark Foley confirmed that the managing Authority will complete the Outline Assessment and will then have a conversation with the LEPs about strategic fit. David Rowe went on to ask about how national bids would be handled. Mark Foley confirmed that organisations wanting to do this would need to submit an application against each of the LEP area calls.</p> <p>22. Nigel Senior questioned the role of the LEPs in the selection of projects. Mark Foley offered to speak to ESIF Committee chairs to clarify roles and programme governance. Terrie Alafat welcomed this suggestion.</p>	
AOB and close (Terrie Alafat)	Action
23. No further items were raised	





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| <p>24. Mark Foley thanked Terrie Alafat for her support as she was leaving to take up a new role.</p> <p>25. Terrie Alafat thanked the LMC members for their attendance and contributions and wished them well for the future programme.</p> <p>26. Norman Price echoed this and thanked everyone for their support.</p> <p>27. As this is the last meeting of the LMC, any other business should be circulated by written procedure.</p> | |
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Minuted by Michelle Egan

