

WEST MIDLANDS REGIONAL ASSEMBLY
EUROPEAN AND INTERNATIONAL AFFAIRS PARTNERSHIP
24 November 2006

Notes of Meeting held 29 September 2006
At Birmingham Council House

PRESENT:

Members

(Please note: following the acceptance of proposals regarding membership at the 16 June 2006 EIAP meeting, a distinction is no longer made between formal and ex-officio members of the Partnership)

Cllr Sir Albert Bore (WMLGA) – Chair, Cllr Philip Atkins (WMLGA), Cllr Eddie Boden (WMLGA), David Burton (CWMCC), Denise Craig (FSB), Olwen Dutton (West Midlands Regional Partnership), John Edwards (AWM), Mark Foley (GOWM), Malcolm Harbour MEP, Jerry Hutchinson (North Warwickshire Borough Council), Esther Knight (WMRA), Cllr Roger Lawrence (WMLGA), Doug Mahoney (UKTI), Isabella Moore (AWM), Julie Robson (Learning and Skills Council), Cllr David S Smith (WMLGA), Roger Sumpton (AWM), Val Tomlinson (AoCWM), Cllr Milner Whiteman (CoR), Cllr Paul Tilsley (WMLGA)

Officers

Jon Bloomfield (AWM), Dagmar Waller (WMRA), Glynis Whiting (WMiE), Patrick Willcocks (Chair REPGF), Louise Chilton (WMLGA)

Item	Discussion and Decision	Action
1.	<p>Apologies Apologies had been received from: Members: Philip Bushill-Matthews MEP, Prof Michael Clarke (WMHEA), Cllr Sue Davis (CLRAE), Cllr Pauline Dee (CLRAE), Trudi Elliott (GOWM), Neena Gill MEP, Cllr Syeda Khatun (CoR), Liz Lynne MEP Officers: Helena Muskett (Chair REIOG), James Watkins (WMBC)</p>	
2.	<p>Notes of 16 June meeting and matters arising The notes were agreed as a correct record of the meeting. Relevant action points were to be covered in the day's agenda.</p>	
3.	<p>The European Dimension to the Review of the West Midlands Economic Strategy (WMES) Roger Sumpton gave a brief presentation on the WMES Review and explained the overall timetable for developing the West Midlands Economic Strategy (WMES) 2007. The Region was in a good position in terms of timing. There were five stages to undergo before the WMES would be finalised in September 2007 including research (undertaken</p>	

during summer 2006), developing policy options, discussion of the options developed, physical drafting of the draft Statutory document and the fifth consultation stage when the outcome of the comprehensive spending review should be available.

Five pieces of work had emerged from the evidence base which would:

- Look at the overall context
- Look at drivers of product and performance of the West Midlands in relation to other regions
- Examine patterns of economic activity across the Region (important for the sub-regional dimension)
- Evaluate overall achievements in previous and current economic strategies
- Evaluate the three delivery mechanisms (zones, corridors and clusters).

In terms of the evidence base as a whole, other important pieces of work included the work of the Regional Skills Partnership, WMRO's 'State of the Region' report (published in October 2006) and the Regional Spatial Strategy.

Key points to emerge from findings were:

- Low employment rates were a significant factor in explaining productivity – this appeared to be worsening
- The structure of the economy, in particular its different sectors, explained the productivity gap. This highlighted the interlinked factors of skills and the Region's need for more innovation
- Skills issues were complex and included factors such as the gap in basic skills and the link to lower productivity. There was poor graduate retention in the Region and the current skills gap could worsen without intervention
- The Region had a more average performance in enterprise and investment compared with other regions
- Sustainability challenge was a key factor, with a whole host of issues that would impact on performance
- There were major sub-regional variations in performance with evidence of shifting in the pattern of economic activity in the Region
- A key point was economic geography; the pattern of the economy was not as simple as in other parts of the UK
- There had been issues about the ambition of vision and delivery of the current WMES, and suggestions that emphasis on skills issues and the knowledge economy had not been strongly enough expressed. Clarity was also needed around Pillar 4 (Regenerating Communities).

The framework for developing policy options had been discussed with the Regional Reference Group on 1 September. Proposals for options would be considered by the Reference Group early in October and would be launched at AWM's AGM on 10 November. It was important to have as broad a consultation process as possible before preparing a first draft for consultation in Spring next year.

The sustainable development dimension was essential and the new

	<p>WMES would go through a full sustainability appraisal. There was a link with the Review of the Regional Spatial Strategy which was underway and the Region was now in a good position to bring those two reviews together.</p> <p>It was always important to be realistic about the fact that the amount of funding would fall short of what was needed.</p> <p>During discussion the following points were made:</p> <ul style="list-style-type: none"> ▪ The development of the ESF operational programme would be aligned with the WMES review. The issues regarding higher skills would be raised nationally ▪ There was need of an evidence appraisal document to enable full discussion of the available opportunities ▪ The Region must meet the potential of the EU single market and find ways in which the European dimension contributes to the WMES review ▪ The comparative analysis of regions of innovation (carried out within the ERIK+ Network) would be used ▪ It would be helpful to have more analysis on productivity issues ▪ It was difficult to benchmark the key issue of Innovation, but benchmarking and exploiting innovation arising from education were being examined. A synthesis report was being prepared by WMRO and would be available on its website (www.wmro.org) ▪ The development of policy options was focusing on SWOT analysis. A starting point was the ERRIN network. This would be brought forward and considered in formulating the draft strategy in Spring 2007 ▪ The critical issue was what the Region would be allowed to do in terms of higher skills in relation to the national ESF programme. ESF and ERDF should be integrated and not allowed to separate out. AB to be informed if the programmes looked likely to disconnect ▪ Migrant labour and its effect on the long term skills gap needed to be understood. A significant piece of work by the LSC, AWM and WMRO on the impact of the migrant workforce and skills of migrant workers was in the process of being carried out ▪ The Region was building on a solid base established over the past year. It was well set for looking at things in a more holistic way and the link back into the WMES was critical. The EU Futures Event was trying to illustrate practical implications and would be addressed by the Director of the ERRIN network ▪ The Region remained a net exporter of graduates compared with five years ago, with most graduates staying in the Region being employed in the public sector. SMEs would need to be persuaded to recognise the value of graduates in technical areas and to employ them. An education programme at university level was also needed so that graduates could consider the benefits of working for SMEs. The Enterprise Board was doing important work developing culture and identifying barriers that prevented graduates from thinking of setting up in business. This also needed to be part of the learning process ▪ The 7 billion euros available for the mobility of research strand of the FP7 programme would provide another opportunity for the Region to attract graduates into businesses. 	<p>WMRA/ AWM</p>
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	The presentation and the points arising from it were noted .	
4.	<p>MEP/CoR standing item</p> <p>Malcolm Harbour MEP would be participating at the CoR Open Days in Brussels on 9-12 October and would be speaking on innovative procurement. He also wished to draw attention to the following:</p> <ul style="list-style-type: none"> • The European Commission had presented a 10 point programme aimed at fostering innovation and placing it at the core of the EU economy. Details can be found on http://www.europe-innova.org/exportedcontent/docs/6/6206/en/EN%20502%20-%20original.doc • Intellectual property and energy policy were likely to be the lead items at the Economic summit in March 2007 • The Services Directive should reach agreement in mid November • The European Council's common position on the Commission's FP7 proposal was about to start a second reading in the European Parliament. The recent establishment of the European Research Council would mean support for scientific work coming forward • Continuing MEP engagement in the WMES review was important and better opportunities were needed to agree strengths, weaknesses, threats and opportunities for the Region. It was agreed that there should be further discussion at the EIAP February meeting before work began on the drafting of the WMES. <p>AB reported on various CoR matters:</p> <ul style="list-style-type: none"> • Most events were now fully subscribed during the CoR Open days on 9-12 October. The European Parliament, the Commission, the European Investment Bank and the private and public sectors would all be involved • AB was engaged in taking forward the leverage study of the structural funds. A working party had been set up and work was being co-ordinated with the Austrian Research Institute in the form of 10-14 case studies, one of which would be Birmingham Masshouse. The Group was now engaged with the Rapporteur of the REGI Commission. 	RS
5.	<p>Regional Funding Activity – Beyond the Structural Funds</p> <p>The first EU Futures Conference held in November 2005 at the Coventry TechnoCentre provided the backdrop against which the Region began to consider alternative funding to structural funding, and decisions were made regarding where focus should be. These non structural funding programmes are all competitive and would involve working with other regions. It had been agreed that areas of focus would be as follows:</p> <ul style="list-style-type: none"> • Lifelong Learning (LL) – an EU Lifelong Learning Group had been set up under the Chairmanship of Professor Geoff Elliott of Worcester University College • Competitiveness and Innovation Programme (CIP), a varied set of strands with no single lead • 7th Framework Programme for Research, Technological Development and Demonstration (FP7) – led by AWM. 	

	<p>During discussion the following points were made:</p> <ul style="list-style-type: none"> • The LSC was involved in the Lifelong Learning Programme but the group had not made a proper link as a partnership • There had been much progress on FP7 work, including engagement in work on joint technical platforms which were being promoted by the EC to bring together researchers. Much of the information technology in the Region was embedded in computing but there were others, eg nanomedicine. Companies needed to engage with larger researchers • The Region needed to be ready for action and should be strategically driven rather than funding led. Enormous sums were available for FP7 and the Region must start developing partnership arrangements across Europe • It was important to understand the mechanisms for engagement and the new business support structure would provide an opportunity to do this now. SMEs were very difficult because of their complexity • The New Structural Fund Programme timescale had been delayed due to a delay on the National Strategic Reference Framework (NSRF) announcement, now expected in October. At that point the Region would know about ESF/ERDF, delivery arrangements and policy context. Consultation would be in November • There had been better preparation in terms of the new programme to achieve spend on N+2 • There were, however, spend targets that still had to be met on the existing programme and therefore it was necessary to focus on both. Approval of the programme was not expected until late summer. • New entry states were expected to have priority. • Concerns were expressed about learning the lessons of the 2000 Programme and ensuring a prompt start was made. <p>The report was noted.</p>	
<p>6.</p>	<p>Regional Competitiveness and Employment Programme 2007-2013</p> <p>Work was proceeding around the delay in the Programme timetable. The general assumption was that AWM would manage the ERDF programme but there were concerns regarding AWM acting as both administrator and major beneficiary. This concern would form part of the negotiations between the EC and the Government in finalising the programmes nationally. For the first time there would be a transnational element to the programme.</p> <p>The following points were raised during discussion:</p> <ul style="list-style-type: none"> • The RDA was well aware of some of the concerns expressed by colleagues about transparency in managing and delivering the ERDF element of the programme and a consultation document proposing how this would be handled was in the process of being drawn up. There would continue to be a joint management process to draw together ERDF and ESF • Discussions were taking place on the amount of money that would sit within the RCE programme • The consultation on the national ESF programme would be launched 	

	<p>in mid October. It was agreed that the Regional European Funding and Policy Group (REFPG) draw up a response on behalf of the Region in liaison with the LSC that would re-iterate the need for high level skills and co-ordination of management arrangements</p> <ul style="list-style-type: none"> • The ESF Programme must focus on skills for life. There would be flexibility in the use of high level skills but nothing specific had been indicated. Communication was vital but there was a lack of language skills across the EU. <p>The report was noted.</p>	REFPG
7.	<p>WMRA Strategic Review – the Region’s Relationship with Europe The Panel had recently met for the first time. Panel members had a broad mix of knowledge on European issues and had expressed the wish to receive more information on relevant issues before evidence was heard. Terms of Reference for the group would be agreed shortly and circulated. A workshop session to include EIAP members would take place either immediately before or after the next EIAP meeting.</p> <p>MH reported that the Region’s MEPs would like to be involved in the Review; exactly how would become clear when Terms of Reference were available. In general the Region needed a more strategic approach and a mechanism needed to be set up which allowed MEPs to comment on the broader strategic process.</p> <p>Concerns were also expressed that the Review Panel did not have enough business sector members.</p> <p>The report was noted. It was agreed that DW meet with MH and DB to discuss both these issues. Engagement with both MEPs and CoR members had already been considered and it was hoped to arrange a Panel event in Brussels with MEPs and CoR members.</p>	DW
8.	<p>High Level Induction to Europe and Seminar in Brussels West Midlands in Europe would be hosting a high level training programme “Introduction to Effective Working in the EU for Regional Decision Makers” in Brussels on 5 and 6 December. It was hoped to include MEPs in dialogue about the induction and to attract new members of the WMiE Board to attend, as well as partners wishing to have a refresher course.</p> <p>A concurrent seminar to explore the European and International dimension to the proposed policy options for the revised WMES would also take place. Senior participation from stakeholders would be encouraged.</p> <p>EIAP members agreed to consider participating in the induction programme and the Management Board seminar and to encourage senior participation from their own and other regional stakeholders.</p>	ALL
9.	<p>Future meetings: Friday 24 November at 2.00 pm – venue tbc (please note change of date from 15 December) Friday 23 February at 11.00 am at the Regional Partnership Centre Friday 29 June at 11.00 am (venue tbc)</p>	

