



2014 TO 2020 ERDF PROGRAMME

2020 ANNUAL IMPLEMENTATION REPORT - CITIZENS SUMMARY

Introduction

The 2014-2020 European Regional Development Fund (ERDF) Operational Programme¹ for England invests in economic growth throughout the country, helping businesses create better, higher-paying jobs through support to small and medium-sized enterprises (SMEs) creating socially and economically stronger communities across England. Working in partnership with national and local stakeholders, the programme has been developed by the Ministry of Housing, Communities and Local Government (MHCLG) who are responsible for the delivery of the ERDF in England as the Managing Authority² (MA). Some functions have been delegated to Intermediate Bodies in several regions and cities.

The ERDF Operational Programme was originally approved by the European Commission (EC) in June 2015. The current version was updated in December 2020 to take account of the mid-programme performance review and was published [on-line](#) in March 2021. Funding is weighted to reflect the levelling up regional agenda and uses three geographical Categories of Region³: Less Developed (Cornwall and the Isles of Scilly is the only English region in this category), Transition, and More Developed regions. The programme is organised under nine separate policy themes, known as Priority Axes⁴, details of these and our progress towards delivering them are set out in this report.

Funding promotes local growth activity across the country and supports businesses and policy interventions in areas such as innovation, low carbon technology and broadband. Local projects are developed by a wide range of partners from across the public and private sectors, including Local Enterprise Partnerships (LEP), Local Authorities, universities, research institutions, business groups and stakeholders from the voluntary and community sector.

This report summarises the progress on delivery of the ERDF Operational Programme up to 31 December 2020, which is described in more detail in the 2020 Annual Implementation Report (AIR)⁵.

The AIR will be published in full on the programme's website along with those from previous years at: [2014 to 2020 European Structural and Investment Funds](#).

¹ The Operational Programme (OP) is the document setting out the priorities for how the European Structural Investment Fund will be used and how they will be administered. This document is prepared by government and agreed with the European Commission (EC). The OP includes financial targets and non-financial targets for what needs to be achieved e.g. the Priority Axis and Performance Framework targets.

² The Managing Authority is the government department that is responsible for implementation of the OP in accordance with the European Structural Investment Fund (ESIF) regulations.

³ Regions are placed in one of three categories on the basis of their relative prosperity:

- GDP EU average >90% = More Developed Region
- GDP EU average >75% = Transition Region
- GDP EU average <75% = Less Developed Region.

⁴ The Operational Programme is made up of Priority Axes. These set out the detail of the priorities for ERDF investment, the types of activities that will be supported, the resources available, and the specific objectives, results and outputs to be achieved. Priority Axes bring together one or more investment priorities set out in European Union regulations that govern ERDF. All activity funded must contribute to delivering a Priority Axis.

⁵ Each year from 2016, the MA must submit to the EC an Annual Implementation Report (AIR) for each OP covering the previous financial year. This report sets out key information on how the Programme is being implemented including: financial data, progress against results / output indicators and Performance Framework milestones / targets, a summary of evaluations undertaken, issues affecting performance and measures taken to address these.



Covid-19 and the ERDF Programme

From the start of the Covid-19 crisis in England in March 2020, MHCLG has been working actively with stakeholders to ensure the ERDF programme was able to adapt.

The MA took steps to simplify delivery and enable projects to repurpose and better support businesses and areas impacted most by Covid-19. Our range of administrative simplifications includes more flexibility on:

- Deliverables and performance;
- Payment of claims and related evidence;
- Payment of salaries and overheads;
- Enabling projects costs to fund new delivery models and online activity.

In addition, the MA has ensured that ERDF can respond to both the sectoral and spatial impact of the virus. Specifically, the MA supported projects to:

- Pivot activity towards sectors most affected by Covid-19, broadening the reach of ERDF into sectors such as health, retail, tourism, hospitality and leisure.
- Reorient current projects to support jobs safeguarding and business survival.
- Enable projects to support businesses to contribute to the Covid-19 effort or service a growing market, examples have been provided in the ERDF Project Covid-19 Response Leaflet.
- Provide greater flexibility for ERDF support of businesses in financial difficulty.

Examples of how projects adapted to support the national response to pandemic include:

- ERDF helped support manufacturing specialists at the University of Sunderland to create a tool that could help reduce the spread of Covid-19 across NHS sites. Staff developed two 3D-printed prototypes in the bid to reduce the risk of infection in hospitals and other facilities when opening doors allowing staff to use their forearms instead of their hands.
- Marine sail and boat cover manufacturer EXE Sails & Covers, diversified their product range to respond to the need to produce PPE and scrubs for the NHS. After initially producing gowns, scrubs and face shields for a hospital in Exeter, the demand has grown further. They purchased a number of 3D printers with 150 outworkers tasked to turn material into the gowns. The ERDF Manufacturing Advisory Programme supported them with a business review, and they are now looking at opportunities for a new market.
- Haigh's Bakery (Guiselley) Ltd in Leeds, provides commercial catering on a wholesale basis to suppliers which were closed and resulted in loss of income. ERDF support enabled the company to sell products online to a new market, providing supplies to supermarkets establishing bread hubs / deliveries at butchers and grocers in remote local communities to support those most vulnerable. It also set up a new product around baking for kids, which sold over 50 units in the first half an hour of going on sale.

The programme also undertook several national initiatives as set out below. This include the creation of a new Priority Axis to facility the delivery of the Reopening High Streets Safely Fund:

		
<p>Reopening High Streets Safely Fund Funding: £50 million ERDF</p>	<p>Kick-starting Tourism Package Funding: £10 million ERDF</p>	<p>SME Restart and Recover Funding: £20 million ERDF</p>
<p>This project helped councils to safely reopen their high streets, supporting high street enterprises and local businesses with advice and extra social distancing measures, as towns and cities restarted after the lockdown.</p>	<p>Funding provided to local area Growth Hubs to help businesses reliant on the visitor and tourism economy to trade safely, in line with guidance provided.</p>	<p>Additional funding allocated to Growth Hubs to provide support and grants to small and medium sized businesses at a wider level who are in need of help to recover and restart.</p>

Despite the challenges of operating during the Covid-19 pandemic MHCLG has continued to work actively with stakeholders during 2020 to ensure strong delivery of programme objectives and targets linked to local economic plans. As well as supporting the agreement of new projects, the department's regional Growth Delivery Teams (GDTs) have dedicated significant resources to individual projects, to ensure a strong focus on delivery of 2023 output, outcome and expenditure PF targets against agreed profiles.

During 2020, the comprehensive package of programme and project level evaluation continued. The national evaluators focus has been on undertaking the interim counterfactual impact evaluation. Due to Covid-19 the publication of this interim report has been pushed back to 2021.

To further communicate and embed good practice examples of effective local growth design and investment across regions, cities and towns, the third annual edition of: [Supporting Local Growth 2020](#), the MA's case study booklet was published on GOV.UK. This illustrates a selection of projects from the programme, which are helping to support the UK Government's levelling-up agenda and growth priorities, rebalance the economy, back key pan-regional initiatives such as the Northern Powerhouse and the Midlands Engine and respond to the Covid-19 pandemic.

Overall Progress Towards Contracting the Programme

ERDF levers local and national investment from both the public and private sectors and complements domestic growth programmes.

Projects are developed in response to published calls⁶ for funding applications. The first calls were published in March 2015 and have continued throughout the programme. A full list of projects funded can be found on the: ['Useful Resources'](#) page of the programme's website.

By the end of 2020, 1,007 projects with a total eligible expenditure worth over £5.5bn, including over £2.6bn ERDF, had been approved. By region this equates to 94% in the Less Developed, 97% in the Transition, and 90% of the More Developed regions' allocations.

At the end of the year, a further 256 applications were undergoing appraisal with a total value of £994m. The contracting of the full value of this pipeline of applications would bring the programme's total commitments to 108% of the programme value. However, based on our experience of running the programme to date it is unlikely that all these projects will be contracted.

The MA is committed to fully realising the value of the programme and contracting the pipeline remains a priority. If required, the MA will assess the best mechanisms to ensure any unallocated funding is invested in the later stages of the Programme.



PROTO is Europe's first dedicated centre for emerging technology and is fast becoming a base for the North East's most trailblazing businesses. It offers contemporary office space and co-working space at its base in Gateshead helping local businesses take technology to the next level.

The Centre is a state-of-the art research and development facility open to businesses looking to explore emerging technologies.

PROTO EMERGING TECHNOLOGIES CENTRE

ERDF Support: £3.2 million

Overall Progress Towards Priority Axis and Performance Framework Targets

The programme has a range of targets that MHCLG has agreed with the EC which reflect the objectives of ERDF in England and its planned impacts. Key targets are contained within a Performance Framework (PF), broken down into the separate Priority Axes (PA) of the programme.

The programme is already on track to deliver most PF targets by the end of the programme in December 2023 and actions are in place to address those where progress has been slower than expected.

⁶ A call is an open invitation for applicants to submit proposals against a published call specification.

Based on committed and pipeline projects (applications yet to be contracted), the programme is already expected to meet or exceed its 2023 non-financial output PF targets⁷ except for the More Developed region Region priority axis 5 target. MHCLG will look to discuss the position with the European Commission as part of any future Programme modifications.

As regard to financial targets, the programme is set to achieve all of the 2023 financial targets assuming the current pipeline of projects is contracted. The contracting of pipeline projects is a priority for MHCLG.

The MA recognises though that Covid-19 has impacted the ability of some projects to deliver against their contracted commitments and will closely monitor the situation over the coming year.



Folkestone Community Works is an ambitious programme that aims to help hundreds of people in the local area into work or training. This is certainly the case for Hollie Arnold who has converted a derelict shell into a modern space for her Blowout & Wave venture. The self-taught hair stylist received support that has helped her brush up on her business skills and future prospects. Investment allowed Hollie to take on another member of staff, buy products and build the business' online presence

FOLKESTONE COMMUNITY WORKS

ERDF Support: £1.5 million

Progress for each Priority Axis is set out below:

Priority Axis 1 – Promoting Research & Innovation

This Priority Axis aims to strengthen research, technological development and innovation. As of the end of 2020 the following has been achieved:

Total Projects Supported	Eligible Spend	Percentage of Regions' Total Allocation		
		Less Developed	Transition	More Developed
264	£1,120.2m	95.5%	90.6%	81%

⁷ In some instances these are not fully met but exceed the 85% threshold below which the European Commission may consider applying penalties.

Calls Launched in 2020	Value of Calls	New Applications Under Appraisal	Value Under Appraisal
0	£0	57	£167.9m

Excellent progress is being made to deliver this Priority Axis, with all 2023 Performance Framework financial and non-financial targets expected to be met in all CoR, .

Output Indicator	Achievements to 31 st December 2020			
	Less Developed	Transition	More Developed	Total
Expenditure declared in claims to EU	£41.8m	£170.7m	£297.1m	£509.6m
Number of Enterprises Receiving Support	308	3,725	11,555	15,588

Covid-19 has had an adverse impact on several projects, particularly delegated grant schemes where potential SME beneficiaries were more focused on survival than embarking on research and development activity. In addition, some projects have found it difficult to attract SMEs for innovation grants or to work with SMEs and so are unable to adhere to their spend profiles. The MA anticipates that both R&D and innovation SME activity will recover during 2021 but will be monitoring the position closely.



Sheffield Hallam University is home to the multi-million-pound Advanced Wellbeing Research Centre, also supported by the Department of Health and Social Care.

It is the most advanced research centre in the world for developing innovations that will increase physical activity and improve population health.

The centre forms the centrepiece of the Sheffield Olympic Legacy Park - dedicated to improving the health and wellbeing of the population through innovations that help people move.

ADVANCED WELLBEING RESEARCH CENTRE
ERDF Support: £905,000

Priority Axis 2 – Enhancing access to, and use and quality of ICT

This Priority Axis aims to enhance access to, use of and quality of information and communication technologies. As of the end of 2020 the following had been achieved:

	Eligible Spend	Percentage of Regions' Total Allocation
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Total Projects Supported		Less Developed	Transition	More Developed
33	£143.24m	105.6%	79.4%	74.6%

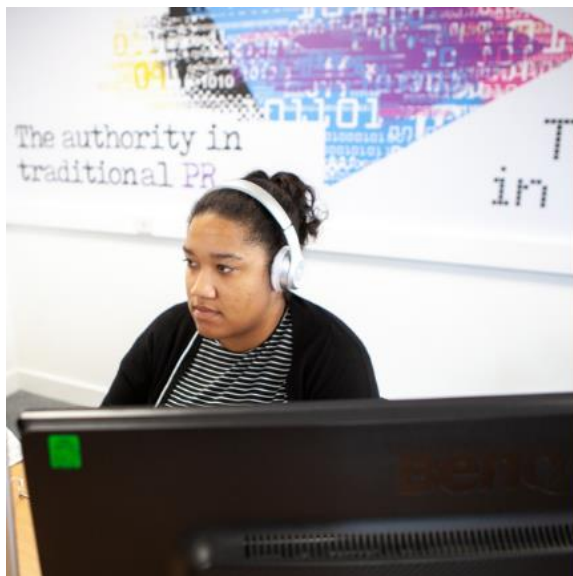
Calls Launched in 2020	Value of Calls	New Applications Under Appraisal	Value Under Appraisal
1	£0.89m	13	£27.4m

There was 1 SUD new call in 2020

The MA is confident that 2023 PF targets will be met.

Output Indicators	Achievements to 31 st December 2020			
	Less Developed	Transition	More Developed	Total
Expenditure declared in claims to EU	£15.3m	£7.74m	£44m	£67.04m
Additional businesses with broadband access of at least 30Mbps	1,824	-	-	1,824
Number of Enterprises Receiving Support	-	403	3,526	3,929

Remedial actions taken in 2018-2019 have meant projects have taken steps with their procured infrastructure providers to increase the employment speed to catch up to the contractual milestones.



Businesses in Leicester and Leicestershire are benefiting from a range of support activities helping them to develop and introduce new digital technology within their activities.

Fully funded workshops, financial help and free one to one business advice is all on offer. Champions, a local marketing and communications agency, received support with staff learning key digital skills in search engine optimisation, website development and social media advertising.

DIGITAL BUSINESS GROWTH PROGRAMME

ERDF Support: £4.6 million

Priority Axis 3 – Enhancing the Competitiveness of SMEs



This Priority Axis aim is to enhance the competitiveness of SMEs. As of the end of 2020 the following had been achieved:

Total Projects Supported	Eligible Spend	Percentage of Regions' Total Allocation		
		Less Developed	Transition	More Developed
400	£2,647.7m	92.7%	106.4%	109.9%

Excellent progress is being made to deliver this Priority Axis, with all 2023 Performance Framework financial and non-financial targets expected to be met in all CoR,

Calls Launched in 2020	Value of Calls	New Applications Under Appraisal	Value Under Appraisal
2	£8.6m	110	£334.4m

There were 2 SUD new calls in 2020

Output Indicator	Achievements to 31 st December 2020			
	Less Developed	Transition	More Developed	Total
Expenditure declared in claims to EU	£98.74m	£383.7m	£762.8m	£1,245.24m
Number of Enterprises Receiving Support	3,440	17,045	43,249	63,734

Due to Covid-19, there has been a dip in project performance in 2020 where SMEs are required to provide match are lower than forecast. Manufacturing projects though appear to be buoyant as manufacturers adapt to the Covid-19 crisis.

Capital projects briefly suspended activity due to national lockdown restrictions imposed in March but since mid-July, work has resumed.

The MA will continue to closely monitor the potential impact of Covid-19 attainment of 2023 PF targets.



Aimed at supporting and encouraging resilience and growth of local businesses, Business Northumberland provides workshops and coaching on how to adopt and use digital tools to promote and grow businesses.

In light of the pandemic a 'Tourism Week' was held to help visitor reliant businesses use this time to upskill their digital knowledge prior to the expected surge in staycation

BUSINESS NORTHUMBERLAND 2019-22

ERDF Support: £700,000

Priority Axis 4 – Supporting the Shift towards a Low Carbon Economy in all Sectors

This Priority Axis aims to support the shift towards a low-carbon economy across all sectors. As of the end of 2020 the following had been achieved:

Total Projects Supported	Eligible Spend	Percentage of Regions' Total Allocation		
		Less Developed	Transition	More Developed
141	£1,004.23m	99.4%	86.3%	76.4%

Calls Launched in 2020	Value of Calls	New Applications Under Appraisal	Value Under Appraisal
3	£17.84m	56	267.4m

There were 3 SUD new calls in 2020

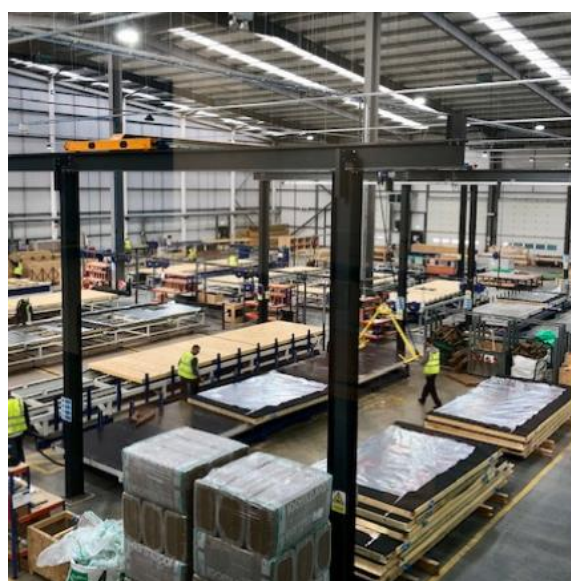
Excellent progress is being made to deliver this Priority Axis, with all 2023 Performance Framework financial and non-financial targets expected to be met in all CoR,

Output Indicator	Achievements to 31 st December 2020			
	Less Developed	Transition	More Developed	Total
Expenditure declared in claims to EU	£57.8m	£68.4m	£288.9m	£415.1m
Number of Enterprises Receiving Support	140	1,745	5,095	6,980

GHG reduction: Estimated annual decrease of GHG	160	21,053	58,960	80,173
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Many of the low carbon projects such as housing retrofit deliver long term carbon savings, not high-level annual outputs as required under CO₂ reduction indicator. There continue to be challenges in contractors understanding how to work with new and higher construction standards, but this is improving.

The MA will continue to closely monitor the potential impact of these issues on the attainment of 2023 PF targets.



This project builds on the pioneering work of the Accord Housing Association's Low Carbon Timber Frame factory supplying new build homes, to bring new home emission standards to existing properties.

The project is improving 22 social housing properties which have been identified as some of the worst performing in terms of energy efficiency. A range of innovative and standard retrofit measures are being carried out to bring the properties up to new build performance standards. Energy advice is also being provided to over 10,000 homes in the area.

BLACK COUNTRY RETROFIT WRAP

ERDF Support: £385,604

Priority Axis 5 – Promoting Climate Change Adaption, Risk Prevention & Management

This Priority Axis aim is to promote climate change adaptation, risk prevention and management. As of the end of 2020 the following had been achieved:

Total Projects Supported	Eligible Spend	Percentage of Regions' Total Allocation		
		Less Developed	Transition	More Developed
24	£130.65m	126%	109%	91%

Calls Launched in 2020	Value of Calls	New Applications Under Appraisal	Value Under Appraisal
0	£0m	7	£24.3m

ERDF has been instrumental in unlocking a number of flooding prevention and amelioration projects that are not considered viable when considered by the standard business case process operated by the Environment Agency, which is focused on housing supply and protection.



With the aim of reducing flood risk to communities living and working in the St Austell Bay area, the project is protecting over 500 homes and 275 businesses.

The work includes additional upstream flood storage and flood defences, the creation and strengthening of existing priority habitats, and improved management of flooding water through the urban area. Key locations including a World Heritage site, the Eden Centre and links to Padstow on the north coast, will all benefit from the work delivered.

ST AUSTELL RESILIENCE PROJECT

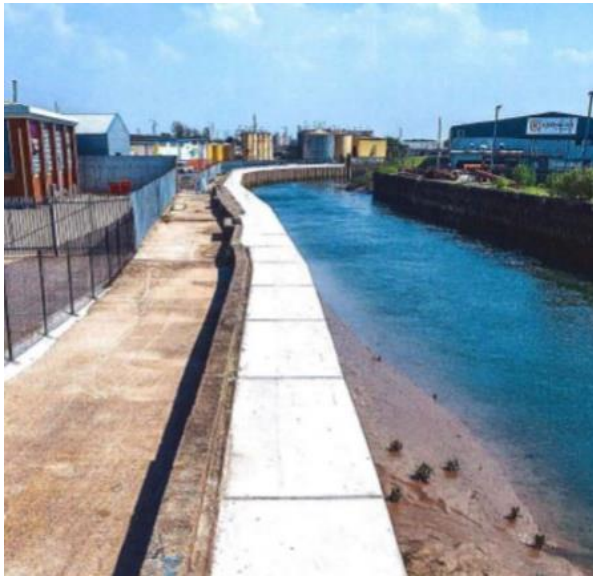
ERDF Support: £7.8 million



Output Indicator	Achievements to 31 st December 2020			
	Less Developed	Transition	More Developed	Total
Expenditure declared in claims to EU	£1.23m	£9.26m	£18.56m	£29.05m
Percentage of planned schemes in place	100%	100%	100%	-
Businesses & properties with reduced flood risk	0	288	88	376

MHCLG are therefore confident that both the 2023 Less Developed and the Transition areas non-financial 2023 PF targets will be exceeded, as will their financial PF targets.

However, the More Developed areas non-financial and financial PF targets are proving more difficult. These may not be deliverable for geographical reasons, as flood protection schemes can only be delivered where they are required, and in More Developed areas this is restricted to localities with a limited concentration of businesses. MHCLG will look to discuss the position with the European Commission as part of any future Programme modifications.



This project provides a comprehensive system of flood defences along the River Hull to protect existing businesses and act as a catalyst for economic growth and regeneration in the riverside area.

By the end of the project the aim is to have reduced the flood risk to 2,055 local businesses and properties along the river side.

RIVER HULL+

ERDF Support: £2.8 million

Priority Axis 6 – Preserving & Protecting the Environment & Promoting Resource Efficiency

This Priority Axis aim is to preserve and protect the environment and promote resource efficiency. As of the end of 2020 the following had been achieved:

Total Projects Supported	Eligible Spend	Percentage of Regions' Total Allocation		
		Less Developed	Transition	More Developed
47	£99.37m	102%	79.9%	61.7%

Calls Launched in 2020	Value of Calls	New Applications Under Appraisal	Value Under Appraisal
1	£5m	12	£27.03m

There was 1 SUD new call in 2020

Excellent progress is being made to deliver this Priority Axis, with all 2023 Performance Framework financial and non-financial targets expected to be met in all CoR.

Output Indicator	Achievements to 31 st December 2020			
	Less Developed	Transition	More Developed	Total
Expenditure declared in claims to EU	£5.45m	£7.18m	£16.69m	£29.32m



Surface area of habitats supported to a better conservation status	106ha	61ha	283ha	450ha
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Prior to Covid-19, the final call for PA6 in 2020 was aiming to deliver river catchment and landscape scale activity; however, several projects are delivering similar activity within an urban setting. In Cheltenham, Wild Towns is delivering a strategic biodiversity programme of work linking sites together.

Within the Less Developed region, the Performance Framework output is being significantly overachieved due to the Growing Goss project. Natural England are improving the nature conservation value of this important 577-hectare estate, which is also a Site of Special Scientific Interest.



This ambitious project is converting the redundant Primrose Mill Lodge into a public open space. The site has long been identified as requiring improvement, both environmentally and for public access.

Developments are helping to improve the habitats, provide public access, and connect the river habitat. Once completed the works will help boost the diversity of wildlife and help to stimulate economic growth and wellbeing by providing an attractive place for people to explore and enjoy. As well as benefiting the town, the works will help to improve water quality and contribute to reducing downstream flood risk.

PRIMROSE LODGE BLUE AND GREENWAY

ERDF Support: £500,768

Priority Axis 7 – Sustainable Transport in Cornwall & Isles of Scilly

This Priority Axis aim is to promote sustainable transport and removing bottlenecks in key network infrastructures and is only available in Cornwall and the Isles of Scilly. As of the end of 2020 the following had been achieved:

Total Projects Supported	Eligible Spend	Percentage of Regions' Total Allocation		
		Less Developed	Transition	More Developed
7	£46.46m	71.04%	-	-

Calls Launched in 2020	Value of Calls	New Applications Under Appraisal	Value Under Appraisal
0	£0m	3	£145.1m

Delivery of this PA has been very strong. This year saw the European Commission's sign off for the widening of the A30 project which will allow work to begin ensuring that PF targets can be met.

Output Indicator	Achievements to 31 st December 2020			
	Less Developed	Transition	More Developed	Total
Expenditure declared in claims to EU	£38.13m	-	-	£38.13m
Road length of reconstructed or upgraded roads	0	-	-	0

One of the other projects being delivered by this PA is the provision of Electric Vehicle charge points; MHCLG has been working with the applicant to increase the number of charge points in the area. This project now is moving forward for delivery in 2021 to ensure the 2023 PF target will be met.



From spring 2020, Penzance Heliport became home to the new Isles of Scilly helicopter, reinstating direct flights from Penzance to St Mary's and Tresco. Situated just a mile from Penzance railway station and adjacently to the A30, funding helped to create a new heliport for the service that will improve accessibility and enhance resilience. The service will complement existing transport routes to the islands and provide a weather resilient option for local people and tourists.

PENZANCE HELIPORT MULTI MODAL HUB

ERDF Support: £1.9 million

Priority Axis 8 – Promoting Social Inclusion & Combating Poverty & any Discrimination

This Priority Axis aim is to promote social inclusion, combat poverty and discrimination. As of the end of 2020 the following had been achieved:

Total Projects Supported	Eligible Spend	Percentage of Regions' Total Allocation		
		Less Developed	Transition	More Developed
43	£46m	100%	93.5%	98%

Calls Launched in 2020	Value of Calls	New Applications Under Appraisal	Value Under Appraisal
0	£0	0	£0



Despite one CLLD project being withdrawn, based on contracted projects the priority axis continues to be on course to meet its PF targets. Excellent progress is being made to deliver this Priority Axis, with all 2023 Performance Framework financial and non-financial targets expected to be met in all CoR,

Output Indicator	Achievements to 31 st December 2020			
	Less Developed	Transition	More Developed	Total
Expenditure declared in claims to EU	£1.14m	£0.346m	£1.84m	£3.33m
Number of local development strategies agreed	4	4.5	12.5	21
Number of Enterprises receiving support	64	0		75



The Community Led Local Development activities in this area will support the unemployed and economically inactive to get back into work, while creating new businesses and supporting existing ones.

Local businesses will be helped so they are more accessible and for the local community training is on offer to improve skills

LINCOLNSHIRE CLLD

ERDF Support: £441,000



CLLD momentum in developing community capacity and plans, issuing calls, committing funding to local projects and delivery momentum is slower than anticipated due to factors such as lack of match funding, poor responses to calls, and weak grant recipient ESI Funds experience and capability.

Covid-19 provided further challenges but some local projects were able to quickly adapt to the situation moving to on-line provision and repurposing business support provision to support resilience & recovery for which there is strong demand.

Due to Covid-19 the MA offered to extend CLLD projects into 2023 and most projects have taken up the offer.



Folkestone Community Works is an ambitious programme that aims to help hundreds of people in the local area into work or training. This is certainly the case for Hollie Arnold who has converted a derelict shell into a modern space for her Blowout & Wave venture. The self-taught hair stylist received support that has helped her brush up on her business skills and future prospects. Investment allowed Hollie to take on another member of staff, buy products and build the business' online presence

FOLKESTONE COMMUNITY WORKS

ERDF Support: £1.5 million

Priority Axis 9 – Technical Assistance

This Priority Axis aim is to help access to the programme ensuring that the activities that can be funded are delivered effectively and efficiently. As of the end of 2020 the following had been achieved:

Total Projects Supported	Eligible Spend	Percentage of Regions' Total Allocation		
		Less Developed	Transition	More Developed
59	£166.5m	68%	68%	74%

Calls Launched in 2020	Value of Calls	New Applications Under Appraisal	Value Under Appraisal
0	-	1	£0.193m

Good progress was made for this PA and, based on contracted and pipeline applications and excellent progress is being made to deliver this Priority Axis,

There are no 2023 PF targets for this Priority Axes.

Output Indicator	Achievements to 31 st December 2020			
	Less Developed	Transition	More Developed	Total
Expenditure declared in claims to EU	£15.46m	£23.48m	£45.91m	£84.85m

Priority Axis 10 – Supporting the implementation of Local Economic Covid-19 Recovery Action Plans

This Priority Axis aim is to help local areas respond to the Covid-19 economic crisis. As of the end of 2020 the following had been achieved:

Total Projects Supported	Eligible Spend	Percentage of Regions' Total Allocation		
		Less Developed	Transition	More Developed
1	£51m	78.5%	58.7%	49%

Calls Launched in 2020	Value of Calls	New Applications Under Appraisal	Value Under Appraisal
0	-	-	-

Output Indicator	Achievements to 31 st December 2020			
	Less Developed	Transition	More Developed	Total
Expenditure declared in claims to EU	£0m	£0m	£0m	£0m
Number of entities supported in combating or counteracting the effects of the Covid-19 pandemic	2	68	244	314

As of end of December 2020, 130 funding agreements with Local authorities had been executed with an additional 70 within at QA checking assurance process and the project was anticipating the remaining c.100 GFAs to be concluded by end of February. Two claims had been approved for payment with a further 63 claims received and being reviewed by the team for a total value of approx. £3m.

Financial Instruments

Financial instruments are a sustainable and efficient way to invest in the growth and development of both individuals and enterprises. They support a range of development objectives and benefit of a wide range of organisations. European Union funds lever in additional public and private contributions with returns reused for further investments. Major advantages of financial instruments are:

- Leverage of resources and increased impact of European Structural Investment Fund programmes;
- Efficiency and effectiveness due to the revolving nature of funds;
- Moving away from “grant dependency” culture;
- Better quality of projects as the investment must be repaid;
- Access to a wider range of financial tools for policy delivery and private sector expertise; and



- Attract private sector support and financing for public policy objectives.

The main financial products offered by financial instruments are loans, guarantees, equity and quasi-equity.

By the end of 2020, the programme had eleven financial instrument projects with commitments worth £526.8m ERDF following acceptance of their ex-ante assessments (which established the market case for each) by the MA.

These comprise six **access to finance** fund of funds:

- the Northern Powerhouse Investment Fund, a £402m project utilising £140.4m ERDF;
- the Midlands Engine Investment Fund, a £266.1m project utilising £78.5m ERDF;
- the London SME Fund, a £100m project utilising £35m ERDF;
- the Cornwall & Isles of Scilly Fund, a £40m project utilising £32m ERDF;
- the Low Carbon Innovation Fund II, a £22.56m project utilising £11.2m ERDF; and
- the North East Fund, a £140m project utilising £58.5m ERDF.

and five **urban development funds**:

- the Greater Manchester Fund of Funds, a £120m project utilising £60m ERDF;
- the Mayor of London's Energy Efficiency Fund, a £102.4m project utilising £51.2m ERDF;
- the Liverpool UDF, a £43.2m project utilising £25m ERDF;
- the Cheshire & Warrington UDF, a £40m project utilising £20m ERDF; and
- the Lancashire UDF, a £25m project utilising £15m ERDF.

NPIF and the Mayor of London Energy Efficiency Fund have made 4 draw down claims. MEIF has made 3 and 4 funds (The North East Fund, Cornwall & Isles of Scilly, London SME Fund and the Greater Manchester Fund of Funds) have made 2. 3 funds (Low Carbon Investment Fund 2, Liverpool City Region UDF and the Cheshire & Warrington UDF) have made 1 claim. The Lancashire UDF will make its first draw down in quarter 2 2021. Overall, by the end of December 2020, £348m (€385m) ERDF had been drawn down by financial instruments.



Cocogreen® is a leading international brand of speciality coir substrates for edible crops. With headquarters in Manchester the business operates and manufactures in Sri Lanka, India, the Far East, Asia, USA, Europe, Australia and Africa and is rapidly growing bespoke commercial products across the globe.

They are the first and only growing media producer externally recognised for its Sustainability, Social, Ecological and Environmental Assurance - traceable from beginning to end.

Support from the ERDF supported Northern Powerhouse Investment Fund enabled the firm's ambitious expansion plans through a capital injection to help provide infrastructure.

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ERDF Support: Northern Powerhouse £140.4 million

Payment Applications to the European Commission

The Certifying Authority submitted 5 payment applications in 2020. Overall, since 2015 the total eligible expenditure submitted to the EC for reimbursement cumulative up to 31st December 2020 is 41% (€2,681m) and the ERDF drawn down cumulative is 48% (€1,754m) of the ERDF programme value.