



EUROPEAN UNION
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European Regional
Development Fund 2007-13



Department for
Communities and
Local Government

NORTH EAST ENGLAND
EUROPEAN REGIONAL DEVELOPMENT FUND
COMPETITIVENESS PROGRAMME 2007-13
ANNUAL IMPLEMENTATION REPORT 2014

FINAL

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ANNUAL IMPLEMENTATION REPORT 2014

INTRODUCTION

In line with the obligations set out under Article 67 of EC Regulation (No 1083/2006) this report is submitted by the Department for Communities and Local Government (DCLG) North East Growth Delivery Team for the calendar year ending 31 December 2014.

The Report has been reviewed and endorsed for submission to the European Commission by the Local Management Committee¹ (LMC) via written procedure.

The 2014 Report builds on previous Annual Implementation Reports submitted and describes the implementation challenges and opportunities faced by Partners as the Programme enters the final stage of implementation.

The Report illustrates how the ERDF Programme continues to support economic growth and job creation in North East.

Over 2014 DCLG local Growth Delivery Teams continued to work closely with a range of local social and economic partners including the two Local Enterprise Partnerships (LEPs) in the North East Programme area to ensure that the focus and implementation of the North East ERDF Competitiveness Programme remains fully aligned with local partners' economic development priorities. Partners at local, sub-national and national level have also continued to work closely to mitigate implementation risks and to maintain a robust focus upon delivery, compliance and spend over the course of 2014.

The Government remains committed to maximising the draw-down of ERDF funding across all programme areas and has sought to respond pro-actively and transparently to ensure that delivery momentum is maintained through an increasingly devolved and strengthened role for local public and private sector partners in implementation and management going forward. In this respect ERDF is perceived by local Partners as a key incentive and instrument through which to engage localities in delivery of the Government's Growth Agenda.

The partnership underpinning the North East Programme remains robust and transparent and Partners have continued over the course of 2014 to work collaboratively to ensure that all investments made through the Programme remain:

- Relevant to the long term strategic aims and objectives of the Operational Programme and reflective of the economic priorities identified by the North East and Tees Valley Local Enterprise Partnerships;
- Tailored to the prevailing economic circumstances and needs of the wider North East partnership to enable the maintenance of a robust pipeline of programme investment activity;
- Embedded in and wherever possible fully aligned to the emerging architecture of sub-national support for local economic growth ;
- Fully compliant with EC and national eligibility and audit rules;

¹ From July 2011 the Programme Monitoring Committee was reconstituted as the 'Local Management Committee'.

- Realistic and focused upon actual spend and deliverables to be achieved in line with Operational Programme financial and non-financial targets.

Key achievements over the course of 2014 include:

- Strong performance against the 2014 n+2 target of c£241.2m (c€282.2m) with declared expenditure² of £50.3m (€58.8m) in 2014, resulting in £260.7 (€304.8m) total cumulative declared spend by end of December 2014.
- This represents overachievement against the 2014 n+2 target of some £19.5m (c€22.6m) and reflects the ongoing efforts made by regional and local partners to prioritise ERDF appraisal, compliance, delivery and claims activity over the course of the year. The performance reported for 2014 also places the Programme in a relatively strong position in respect of final spend for 2015 of £318.4m (€375.7m) which is 81% achieved.
- A total of 162 projects had been contracted at 31 December 2014 with £314.9m (€373.5m) ERDF contractually committed. This represented c98.9% of the programme value of c£318.4m (€375.7m) at December 2014.
- Continued strong performance of the Finance for Business!North East (JEREMIE project) which over the year remained broadly on track against forecast spend and outputs resulting in over £260m (€310.2m) being invested in SMEs in the programme area.
- The ongoing sub-national and local partner engagement in the Local Management Committee (LMC), Chaired by a senior DCLG (MA) representative but with membership from key stakeholders including Local Authority, Local Enterprise Partnerships, higher education and private sector partners which have continued to play a key role in overseeing the governance and strategic direction of programme implementation.
- Strong local leadership through the role of Deputy Chair of the LMC discharged by Cllr Neil Foster, Cabinet Member for Regeneration, Durham County Council. Over the course of 2014 the Deputy Chair of the LMC continued to be the Chair of the LMC technical sub-group, known as the Programme Executive Group (PEG) and has represented partners' views to national level stakeholders and Ministers.
- The significant Partner engagement that has characterised the North East Programme management arrangements has been maintained through regular reporting to and communications with the LMC, as well as regular meetings of the Programme Executive Group, including the ongoing role played by partners represented at PEG in endorsing project selection recommendations made by the Managing Authority team. Over the course of 2014 the PMC/LMC held two virtual meetings and the Programme Executive Group met four times.
- The continued use of Technical Assistance (TA) to support the capacity of key relevant partners to facilitate the implementation of the Programme, including TA resources used to fund posts and research activities aimed at facilitating closer engagement and alignment between the economic development priorities of the two Local Enterprise Partnerships, the wider Programme partnership itself and the strategic direction of programme implementation over 2014, as well as some preparatory work for the 2014-20 period.
- A publication, 'ERDF local growth success stories', was launched to celebrate and highlight examples of the range of ERDF funded projects, supporting innovation and promoting business competitiveness to create great places to live and work in North East England.

² Aggregate Claims at Approved or higher status

Where possible the quantitative and financial information required as part of the annual implementation report under Article 67 is provided, as is a qualitative assessment of progress related to issues and challenges identified.

ANNUAL IMPLEMENTATION REPORT 2014

1. IDENTIFICATION DATA

Operational Programme	
Objective concerned	Regional Competitiveness and Employment
Eligible Area concerned	North East England NUTS 1
Programme period	2007-2013
Programme number	(CCI No – 2007UK162PO005)
Programme title	North East England ERDF Competitiveness Operational Programme
Reporting year	2014

2. OVERVIEW AT OPERATIONAL PROGRAMME LEVEL

The North East England ERDF Competitiveness Operational Programme was approved by the European Commission in December 2007 and was formerly launched in February 2008. The vision for the Programme is set out below:

The North East Competitiveness Programme will by 2015 have made the region a more cohesive, ambitious and attractive place in which to invest and work based on the creation of a modern, innovation focused economy that is well placed to exploit the economic and social opportunities associated, in particular, with renewable energies and technologies that contribute towards a healthy environment.

It will strengthen the region's entrepreneurial culture and grow the region's business base resulting in an outward facing regional economy and society that is self-reliant and confident of its ability to compete in a global market place.

The total Community allocation at **€375.7m remains constant**, however, due to changes in the exchange rate between sterling and the euro the sterling value of programme has decreased from the £319.2m reported at the end of 2013 to £318.4m³. This is allocated against the three Operational Programme Priorities as set out in Table 1:

³ The exchange rate used is based on a basket of exchange rates prevailing at the time of declarations and HM Treasury forecast rates available at December 2014. The figure is therefore indicative and for consistency has been used in the narrative sections of the report. However, it is important to note that exchange rates and therefore the figures included in Section 2 Tables may differ slightly as these are drawn from MCIS and use different exchange rates fixed at different points in the programme.

Table 1 North East England ERDF Competitiveness Operational Programme, Priorities and Fields of Action, 2007-2013.

Priority Axis	Field of Action	ERDF Allocation €m**	ERDF Allocation £m*
<ul style="list-style-type: none"> Enhancing and exploiting innovation 	<ol style="list-style-type: none"> Investment in Innovation Connectors Support for Technology-led sectors Exploitation of the Science Base 	201.0	170.3
<ul style="list-style-type: none"> Business Growth and Enterprise 	<ol style="list-style-type: none"> Cultivating and sustaining enterprise (including social/community based enterprise) in disadvantaged areas Enhancing the competitiveness and growth of existing SMEs 	163.4	138.5
<ul style="list-style-type: none"> Technical Assistance 		11.3	9.6
Total		375.7	318.4

*£ value at 31 December 2014

** Allocation following modification agreed by Commission Decision C(2013) 300 – 23/01/2013

A more detailed summary of Programme finances at the end of 2014 is presented in the Financial Table (Table 11) on page 24.

Cross Cutting Themes

In addition to the Priorities and Fields of Action listed in Table 1 above, three cross cutting themes underpin implementation of the Operational Programme, the objectives and associated priorities and targets underpinning the cross cutting themes are set out in detail in Chapter 5 of the Operational Programme document available at www.communities.gov.uk/erdf

The cross cutting themes are as follows:

- Environmental sustainability;
- Equality and diversity;
- Spatial Cohesion.

Programme Baselines

The global programme baselines established in the Operational Programme (Chapter 4 of the OP document refers) are set out for information in Table 2 below:

Table 2 Global Operational Programme Baselines, North East England Operational Programme Area.

Number of businesses (2004)	67,800
Business density (business units per 10,000 population (2004))	266
Number of VAT registrations (2004)	4,290
Number of employees (2004)	1,005,700
North East GDP per capita (2004) <ul style="list-style-type: none">• Relative to UK average• Relative to EU average	79.6% 97.2%
Business enterprise R&D as a proportion of regional GVA (2004) <ul style="list-style-type: none">• North East• UK	0.4% 1.2%
North East GVA (2004)	£34.4bn (€40.9bn)

2.1 Achievement and Analysis at Operational Programme Level Programme Overview

The Growth Delivery Team is able to report continued momentum and progress in delivery of the programme and identifiable success in mitigating risks and challenges faced.

The programme continued to perform well in terms of financial targets, with the N+2 expenditure target for the year met in full by September 2014. Contracted commitments against the sterling value fluctuated from 98.3% to 100% ending the year at 98.8% over the course of 2014. By the end of the year significant progress was made against the final spend for 2015 (with c81% of the 2015 spend achieved by the end of 2014). At the end of December 2014 there were 162 projects live/approved with total ERDF contractually committed at £314.9m (€373.5m).

Over the course of 2014 the ERDF Growth Delivery Team has been able to report satisfactory progress against non-financial contracted outputs and indicator targets. However, partners at both LMC and PEG remain focused upon the need to maximise actual delivery against non-financial targets and to ensure that the remaining live projects are able to make a strong contribution to the translation of contracted targets into actual delivery against targets.

In converting contracted spend and targets into actual over 2014, the Growth Delivery Team emphasised the need for increased project spend and the timely and accurate submission of claims, as critical to the delivery of spend and non-financial targets. The MA continued to deliver training sessions providing partners with practical advice and tips on the preparation of claims, including raising awareness of outputs definition and evidence requirements. These were supplemented by targeted e-bulletins, e-alerts on delivery issues arising such as common compliance and eligibility errors, particularly in respect of procurement.

During 2014 positive and strong collaborative working continued in respect of the standardised administration of ERDF across England.

During the course of 2014 the Managing Authority has maintained focus on continuous improvement to address implementation experiences as well as audit findings and recommendations, through a dedicated national quality assurance manager to monitor and review progress and the strengthening of the DCLG ERDF network by embedding lessons learned and by promoting greater involvement and contributions by MA practitioners from the Growth Delivery Teams across England in all functional workstreams. Continuous improvement of the standardised process has ensured Programmes are managed to a consistently high standard, at the same time allowing resources to be used flexibly through an integrated network approach, diverting resources to where they are needed most at any given time.

In terms of the compliance agenda - the North East Programme area continued to pro-actively manage compliance risks and mitigate its impact on the error rate. Article 16 activity to determine the 2013/4 error rate at England level indicated a projected error rate of 2.41%, as a result a self-correction was required to ensure the error rate was brought within the EU tolerance level of 2%.

Partners are not complacent and recognise that the conditions that have informed the context for delivery in 2014 are set to continue into the final delivery year despite some of the positive improvements in the wider UK economy. This underlines and reinforces the importance of the robust, open and transparent Partnership working employed in the Programme area since the inception of the Programme as we move towards project and Programme closure.

In terms of key indicators achieved by the end of December 2014, Chart 1 overleaf demonstrates overall progress against key targets across all priorities. It is important to note that these targets have been achieved despite ongoing challenging delivery circumstances in 2014 and in the face of continued socio-economic conditions that face Partners in implementing the programme.

The Programme's achievement against key outputs and result targets at the end of December 2014 shows significant progress, building upon performance reported in previous annual implementation reports and are summarised as follows:

- **14,746 Gross jobs created**
- **4,984 Gross businesses created**
- **13,371 SMEs Assisted**
- **5,082 New SMEs assisted**
- **14,629 Gross jobs safeguarded**

These figures demonstrate the significant and ongoing contribution made by the North East ERDF Competitiveness Programme to stimulate local economic growth and to help support local partners in taking forward and realising their economic development priorities.

Chart 1 Progress in 2014 against key Programme Indicators

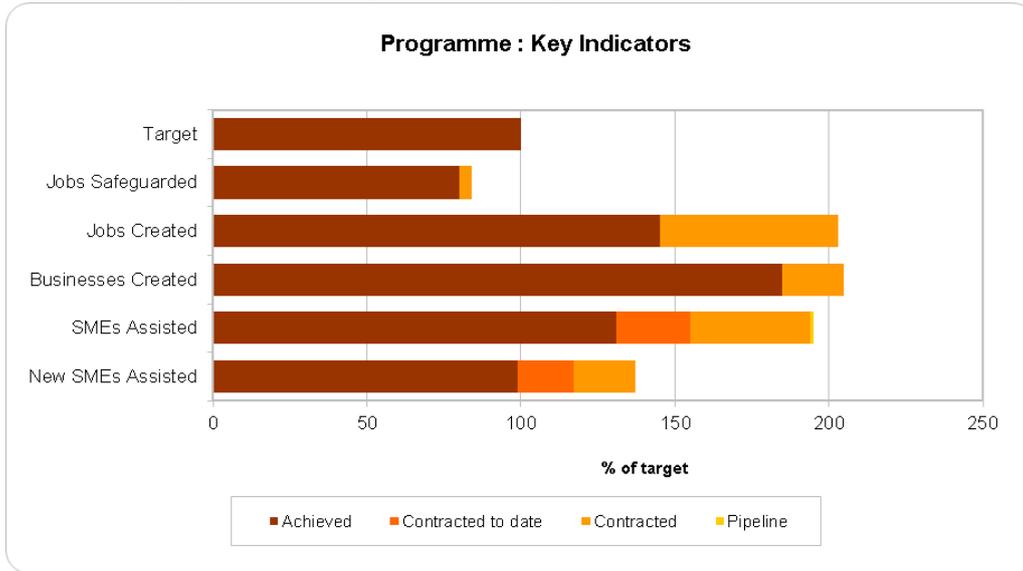


Chart 1 above illustrates the performance of key programme indicators against targets contained within the Operational Programme, setting out the proportion of targets that have actually been achieved, or which are contracted to be delivered.

In terms of actual performance the Chart indicates overachievement in three key areas of jobs; businesses created; and SMEs assisted where actual achievement to date has exceeded the programme targets.

The figures do indicate however that the programme is not likely to meet the jobs safeguarded target, although the shortfall is within the Commission’s 75% tolerance level and partly compensated by significant over achievement against jobs created. The new SMEs target is expected to be overachieved but dependent on the ongoing need to maintain the focus of both strategic and delivery partners upon the translation of contracted and forecast outputs into actual numbers achieved.

The **Table 3** overleaf details programme performance as against the nine EC Core Indicators where programme data allows:

Table 3 EC Core Indicators Summary 2014

Core Indicator		Baseline	Cumulative Achievement up to 31/12/14	Overall Final Target	% of target achieved
01	Jobs created	0	14,746	10,185	145%
02	Jobs created for men	0	9,643	5,602	172%
03	Jobs created for women	0	5,103	4,583	111%
04	Number of RTD projects	0	0	0	0%
05	Number of cooperation projects enterprises-research institutions	0	0	0	0%
07	Number of projects (direct investment aid to SME)	0	691	868	71%
08	Number of start-ups supported	0	5,082	5,108	99%
11	Number of information society projects	0	0	0	0%

The Table demonstrates performance at this stage of implementation against the core indicators where data is available. Sound progress is reported in terms of jobs created (145% of target), and the gender distribution is positive with jobs created for men at 172% of programme target and jobs created for women at 111% of target at the end of 2014. In addition, performance is considered satisfactory against SMEs in receipt of direct investment aid i.e. SMEs receiving financial assistance through programme FEIs (71%) and the number of start-ups supported (99%).

The following Tables (tables 4-9) correspond to EU Commission Regulation (EC) No 1828 (Annex XVIII Annual and Final Reporting) and provide information on the physical progress of the Operational Programme in respect of outputs, results and impacts indicators using data from projects approved up to the end of December 2014.

Information is provided by Priority against each of the quantifiable indicators set out in the Operational Programme, together with core indicators relating to the expected results for the year 2014, for previous reporting years and cumulatively.

The financial information tables 10 and 11 provide detailed data of Programme level financial progress for the 2014 calendar year and cumulatively up to December 2014. Tables 12, 13, 14 and 15 provide detailed breakdown of the funds against the Lisbon categorisation codes and the codes of dimension.

Any variance between figures reported for previous AIRs in the Tables presented and those reported in the AIR 2014 may reflect agreed re-profiling resulting from project variations or delays in the commencement of project activity, agreed with the ERDF Growth Delivery Team.

PRIORITY 1 – Outputs

Table 4

Regional Indicator	Progress	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Programme Totals	% Achieved of Contracted	% Programme Target Contracted	% Programme Target Achieved
No of new SMEs and spin-out business assisted with innovation, including integrated development of workforce skills where appropriate.	Programme Target	1,100													1,100	73%	112%	82%
	Contracted Indicator	0	0	117	196	269	159	160	208	126	0	0	0	0	1,235			
	Achieved Indicator	0	0	65	118	181	214	100	223	0	0	0	0	0	901			
No of SMEs assisted with innovation, including integrated development of workforce skills where appropriate.	Programme Target	2,700													2,700	71%	114%	80%
	Contracted Indicator	0	0	261	578	596	411	450	567	216	0	0	0	0	3,079			
	Achieved Indicator	0	0	130	272	476	446	374	474	0	0	0	0	0	2,172			
No of SMEs receiving financial assistance.	Programme Target	850													850	65%	114%	75%
	Contracted Indicator	0	0	0	70	230	190	170	190	122	0	0	0	0	972			
	Achieved Indicator	0	0	0	41	118	253	102	121	0	0	0	0	0	635			
Area of R&D premises developed (m2).	Programme Target	37,000													37,000	66%	135%	89%
	Contracted Indicator	0	0	20	5,977	6,065	13,279	9,783	11,996	2,946	0	0	0	0	50,066			
	Achieved Indicator	0	0	0	1,760	5,458	1,388	17,128	7,337	0	0	0	0	0	33,071			
Brownfield land reclaimed &/or redeveloped (ha).	Programme Target	7.0													7.0	26%	394%	101%
	Contracted Indicator	0	0	0	2.0	2.2	1.5	1.0	2.1	18.7	0	0	0	0	27.6			
	Achieved Indicator	0	0	1.0	1.0	1.0	0.0	3.0	1.1	0	0	0	0	0	7.1			
No of integrated packages of activity to embed the benefits of investments in innovation in disadvantaged communities	Programme Target	10													10	50%	40%	20%
	Contracted Indicator	0	0	1	0	1	1	1	0	0	0	0	0	0	4			
	Achieved Indicator	0	0	0	1	0	1	0	0	0	0	0	0	0	2			
No. of people in the workforce of SMEs working in collaboration with Innovation Connectors and/or Centres of Excellence, or in those organisations, assisted with skills development	Programme Target	875													875	118%	188%	222%
	Contracted Indicator	0	0	33	129	291	406	373	306	104	0	0	0	0	1,642			
	Achieved Indicator	0	0	237	245	116	36	896	410	0	0	0	0	0	1,940			

PRIORITY 1 – Results

Table 5

Regional Indicator	Progress	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Programme Totals	% Achieved of Contracted	% Programme Target Contracted	% Programme Target Achieved
No. of gross jobs created	Programme Target	3,605													3,605	31%	238%	75%
	Contracted Indicator	0	0	109	238	710	853	785	970	1,276	752	676	785	1,428	8,581			
	Achieved Indicator	0	0	108	109	384	843	590	658	0	0	0	0	0	2,691			
No. of gross jobs created – men	Programme Target	1,983													1,983	40%	257%	102%
	Contracted Indicator	0	0	64	176	435	562	512	591	749	410	372	432	785	5,087			
	Achieved Indicator	0	0	91	83	299	625	416	505	0	0	0	0	0	2,019			
No. of gross jobs created – women	Programme Target	1,622													1,622	19%	215%	41%
	Contracted Indicator	0	0	45	62	276	291	273	379	527	342	304	353	643	3,494			
	Achieved Indicator	0	0	17	26	85	218	174	153	0	0	0	0	0	673			
No. of gross jobs created in disadvantaged areas	Programme Target	180													180	89%	932%	826%
	Contracted Indicator	0	0	23	55	233	224	242	265	414	96	25	30	70	1,677			
	Achieved Indicator	0	0	26	3	135	268	98	956	0	0	0	0	0	1,486			
No. of gross jobs safeguarded	Programme Target	8,411													8,411	66%	64%	42%
	Contracted Indicator	0	0	67	442	1,311	1,181	794	870	690	10	0	0	0	5,364			
	Achieved Indicator	0	0	57	66	777	1,161	867	618	0	0	0	0	0	3,546			
No. of gross jobs safeguarded – men	Programme Target	4,626													4,626	83%	70%	58%
	Contracted Indicator	0	0	45	268	803	736	462	510	426	3	0	0	0	3,253			
	Achieved Indicator	0	0	39	52	578	868	664	498	0	0	0	0	0	2,700			
No. of gross jobs safeguarded – women	Programme Target	3,785													3,785	40%	56%	22%
	Contracted Indicator	0	0	22	174	508	445	332	360	264	7	0	0	0	2,112			
	Achieved Indicator	0	0	18	14	199	293	203	120	0	0	0	0	0	846			
No. of gross jobs safeguarded in disadvantaged areas	Programme Target	421													421	260%	155%	403%
	Contracted Indicator	0	0	13	51	139	124	113	112	94	8	0	0	0	654			

Table 5

Regional Indicator	Progress	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Programme Totals	% Achieved of Contracted	% Programme Target Contracted	% Programme Target Achieved
	Achieved Indicator	0	0	17	15	27	73	26	1,540	0	0	0	0	0	1,698			
No. of businesses assisted with improved performance	Programme Target	2,400													2,400	26%	143%	37%
	Contracted Indicator	0	0	121	159	535	605	508	792	704	10	0	0	0	3,434			
	Achieved Indicator	0	0	1	3	6	540	139	192	0	0	0	0	0	881			
No. of businesses assisted with improved environmental management .	Programme Target	671													671	13%	54%	7%
	Contracted Indicator	0	0	45	119	29	33	50	81	7	0	0	0	0	364			
	Achieved Indicator	0	0	0	24	23	0	0	0	0	0	0	0	0	47			
No. of businesses assisted with improved environmental management, of which related to improved energy efficiency, micro-renewables and other management of carbon footprint	Programme Target	470													470	17%	57%	10%
	Contracted Indicator	0	0	45	111	24	14	14	60	0	0	0	0	0	268			
	Achieved Indicator	0	0	0	3	42	0	0	0	0	0	0	0	0	45			
No. of assisted businesses within the region engaged in new collaborations with the knowledge base	Programme Target	1,677													1,677	67%	112%	76%
	Contracted Indicator	0	0	153	359	422	187	241	329	184	7	0	0	0	1,882			
	Achieved Indicator	0	0	92	251	299	236	246	144	0	0	0	0	0	1,268			

PRIORITY 1 – Impacts (NB Impacts will be captured as part of ex-post evaluation work)

Table 6

Regional Indicator	Progress	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Programme Totals	% Achieved of Contracted	% Programme Target Contracted	% Programme Target Achieved
Net Increase in GVA as a result of the Programme £ million	Programme Target	545													545	18%	17%	3%
	Contracted Indicator	0	0	4.14	0.78	2.00	0	1.40	14.57	31.65	40.00	0	0	0	94.55			
	Achieved Indicator	0	0	0.54	0	0	0	0.04	15.97	0	0	0	0	0	16.55			
Net Increase in employment	Programme Target	9,084													9,084	38%	13%	5%
	Contracted Indicator	0	0	29	27	48	0	25	250	423	350	0	0	0	1,152			
	Achieved Indicator	0	0	0	2	0	0	24	413	0	0	0	0	0	439			

PRIORITY 2 – Outputs

Table 7

Regional Indicator	Progress	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Programme Totals	% Achieved of Contracted	% Programme Target Contracted	% Programme Target Achieved
No of SMEs receiving financial assistance.	Programme Target	750													750	55%	225%	124%
	Contracted Indicator	0	0	108	357	327	425	38	322	113	0	0	0	0	1,690			
	Achieved Indicator	0	0	87	134	334	140	63	173	0	0	0	0	0	931			
Brownfield Land reclaimed &/or redeveloped (ha)	Programme Target	2.0													2.0	26%	567%	146%
	Contracted Indicator	0	0	0.20	0	0	0.97	1.73	1.40	7.03	0	0	0	0	11.33			
	Achieved Indicator	0	0	0	0	0.20	0.79	0.90	1.03	0	0	0	0	0	2.92			
No of new SMEs assisted, including integrated development of workforce skills where appropriate.	Programme Target	4,008													4,008	72%	144%	104%
	Contracted Indicator	0	0	915	1,286	1,073	383	561	937	619	0	0	0	0	5,774			
	Achieved Indicator	0	0	539	383	1,233	691	469	866	0	0	0	0	0	4,181			
No of SMEs assisted, including integrated development of workforce skills where appropriate, and actions to include the following: • management/leadership • corporate and social responsibility e.g. awareness raising on statutory and legal...	Programme Target	6,680													6,680	69%	215%	147%
	Contracted Indicator	0	0	1,060	1,475	2,553	1,697	1,945	3,013	2,598	0	0	0	0	14,341			
	Achieved Indicator	0	0	1,010	798	1,747	1,683	2,029	2,560	0	0	0	0	0	9,827			
No of integrated initiatives to develop enterprise in disadvantaged communities	Programme Target	14													14	70%	94%	66%
	Contracted Indicator	0	0	5	3	2	0	1	0	2	0	0	0	0	13			
	Achieved Indicator	0	0	5	2	0	2	0	0	0	0	0	0	0	9			
No. of SMEs assisted that are social enterprises	Programme Target	267													267	71%	391%	276%
	Contracted Indicator	0	0	52	108	206	132	300	151	95	0	0	0	0	1,044			
	Achieved Indicator	0	0	73	53	65	0	181	365	0	0	0	0	0	737			
Area of business premises developed (m2)	Programme Target	26,000													26,000	31%	184%	57%
	Contracted Indicator	0	0	191	0	644	8,566	5,203	4,939	28,355	0	0	0	0	47,898			
	Achieved Indicator	0	0	191	0	644	6,118	4,595	3,395	0	0	0	0	0	14,943			

Table 7

Regional Indicator	Progress	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Programme Totals	% Achieved of Contracted	% Programme Target Contracted	% Programme Target Achieved
Potential entrepreneurs assisted to be enterprise ready	Programme Target	14,500													14,500	106%	182%	192%
	Contracted Indicator	0	0	356	4,644	6,168	4,740	5,000	4,078	1,349	0	0	0	0	26,335			
	Achieved Indicator	0	0	40	3,500	3,215	10,053	4,219	6,808	0	0	0	0	0	27,835			
Potential entrepreneurs assisted to be enterprise ready – men	Programme Target	7,975													7,975	104%	189%	196%
	Contracted Indicator	0	0	251	2,702	3,486	2,835	2,890	2,210	710	0	0	0	0	15,084			
	Achieved Indicator	0	0	33	1,973	1,699	5,687	2,531	3,709	0	0	0	0	0	15,632			
Potential entrepreneurs assisted to be enterprise ready – women	Programme Target	6,525													6,525	108%	172%	187%
	Contracted Indicator	0	0	105	1,942	2,682	1,905	2,110	1,868	639	0	0	0	0	11,251			
	Achieved Indicator	0	0	7	1,527	1,516	4,366	1,688	3,099	0	0	0	0	0	12,203			
Potential entrepreneurs assisted to be enterprise ready in disadvantaged areas	Programme Target	9,600													9,600	108%	158%	170%
	Contracted Indicator	0	0	239	2,838	3,421	2,553	2,894	2,406	802	0	0	0	0	15,153			
	Achieved Indicator	0	0	12	1,294	1,435	7,229	2,342	4,021	0	0	0	0	0	16,333			

PRIORITY 2 – Results

Table 8

Regional Indicator	Progress	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Programme Totals	% Achieved of Contracted	% Programme Target Contracted	% Programme Target Achieved
No. of businesses assisted with improved environmental management.	Programme Target	2,178													2,178	50%	59%	29%
	Contracted Indicator	0	0	64	61	207	28	154	334	429	0	0	0	0	1,277			
	Achieved Indicator	0	0	42	3	0	0	133	462	0	0	0	0	0	640			
No. of businesses assisted with improved environmental management, of which related to improved energy efficiency and micro-renewables and other management of carbon footprint	Programme Target	1,525													1,525	49%	39%	19%
	Contracted Indicator	0	0	0	32	102	10	67	161	221	0	0	0	0	593			
	Achieved Indicator	0	0	0	0	2	9	58	224	0	0	0	0	0	293			
No. of gross jobs created	Programme Target	6,580													6,580	100%	183%	183%
	Contracted Indicator	0	0	1,622	1,899	1,256	1,451	1,993	2,098	1,736	0	0	0	0	12,055			
	Achieved Indicator	0	0	1,142	1,132	2,064	2,316	2,145	3,256	0	0	0	0	0	12,054			
No. of gross jobs created – men	Programme Target	3,619													3,619	110%	192%	211%
	Contracted Indicator	0	0	993	1,120	718	875	1,196	1,134	907	0	0	0	0	6,941			
	Achieved Indicator	0	0	769	678	1,137	1,611	1,418	2,011	0	0	0	0	0	7,624			
No. of gross jobs created – women	Programme Target	2,961													2,961	87%	173%	150%
	Contracted Indicator	0	0	630	779	538	576	798	964	830	0	0	0	0	5,114			
	Achieved Indicator	0	0	373	454	927	704	727	1,245	0	0	0	0	0	4,430			
No. of gross jobs created in disadvantaged areas	Programme Target	987													987	124%	483%	598%
	Contracted Indicator	0	0	685	906	673	424	730	775	573	0	0	0	0	4,766			
	Achieved Indicator	0	0	615	125	1,088	1,574	1,042	1,456	0	0	0	0	0	5,901			
No. of gross jobs safeguarded	Programme Target	9,870													9,870	110%	102%	112%
	Contracted Indicator	0	0	403	2,326	1,641	2,404	1,008	1,307	985	0	0	0	0	10,075			
	Achieved Indicator	0	0	239	1,432	2,431	1,816	2,483	2,682	0	0	0	0	0	11,083			
No. of gross jobs safeguarded – men	Programme Target	5,429													5,429	125%	109%	136%
	Contracted	0	0	258	1,481	894	1,411	577	731	548	0	0	0	0	5,900			

Table 8

Regional Indicator	Progress	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Programme Totals	% Achieved of Contracted	% Programme Target Contracted	% Programme Target Achieved
	Indicator																	
	Achieved Indicator	0	0	120	1,014	1,483	1,224	1,686	1,874	0	0	0	0	0	7,400			
No. of gross jobs safeguarded – women	Programme Target	4,441													4,441	88%	94%	83%
	Contracted Indicator	0	0	145	845	747	993	431	576	438	0	0	0	0	4,175			
	Achieved Indicator	0	0	119	418	948	592	797	808	0	0	0	0	0	3,682			
No. of gross jobs safeguarded in disadvantaged areas	Programme Target	1,480													1,480	193%	169%	327%
	Contracted Indicator	0	0	19	835	401	347	192	385	325	0	0	0	0	2,503			
	Achieved Indicator	0	0	0	90	1,511	1,012	1,160	1,066	0	0	0	0	0	4,839			
No. of businesses assisted with improved performance, of which at least 10% to implement advanced ICT applications	Programme Target	6,100													6,100	34%	235%	81%
	Contracted Indicator	0	0	546	635	1,135	2,362	1,647	2,831	5,187	0	0	0	0	14,343			
	Achieved Indicator	0	0	125	385	925	640	1,218	1,622	0	0	0	0	0	4,915			
No. of businesses created or attracted to the region	Programme Target	2,700													2,700	90%	205%	185%
	Contracted Indicator	0	0	953	1,060	472	620	1,015	886	525	0	0	0	0	5,531			
	Achieved Indicator	0	0	783	606	942	748	565	1,340	0	0	0	0	0	4,984			
No. of businesses created or attracted to the region in disadvantaged areas.	Programme Target	451													451	112%	625%	699%
	Contracted Indicator	0	0	633	456	457	163	487	366	256	0	0	0	0	2,818			
	Achieved Indicator	0	0	546	356	964	358	286	641	0	0	0	0	0	3,151			
No. of businesses created or attracted to the region surviving 12 months	Programme Target	2,025													2,025	68%	151%	102%
	Contracted Indicator	0	0	156	645	784	250	115	546	564	2	0	0	0	3,062			
	Achieved Indicator	0	0	60	194	737	618	106	352	0	0	0	0	0	2,067			
Potential entrepreneurs going on to access Business Link Services	Programme Target	2,500													2,500	105%	246%	258%
	Contracted Indicator	0	0	68	1,426	1,950	838	807	710	339	0	0	0	0	6,138			
	Achieved Indicator	0	0	0	100	550	3,066	867	1,863	0	0	0	0	0	6,446			
Potential entrepreneurs going on to access Business Link Services – men	Programme Target	1,375													1,375	108%	254%	274%
	Contracted	0	0	40	894	1,124	503	443	337	156	0	0	0	0	3,497			

Table 8

Regional Indicator	Progress	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Programme Totals	% Achieved of Contracted	% Programme Target Contracted	% Programme Target Achieved
	Indicator																	
	Achieved Indicator	0	0	0	63	375	1,773	513	1,039	0	0	0	0	0	3,762			
Potential entrepreneurs going on to access Business Link Services – women	Programme Target	1,125													1,125	102%	235%	239%
	Contracted Indicator	0	0	28	532	826	335	364	373	183	0	0	0	0	2,641			
	Achieved Indicator	0	0	0	37	175	1,293	354	824	0	0	0	0	0	2,684			
Potential entrepreneurs going on to access Business Link Services in disadvantaged areas	Programme Target	1,920													1,920	114%	193%	221%
	Contracted Indicator	0	0	43	800	1,169	423	618	435	211	0	0	0	0	3,699			
	Achieved Indicator	0	0	0	43	372	2,221	616	982	0	0	0	0	0	4,234			

PRIORITY 2 – Impacts (NB Impacts will be captured as part of ex-post evaluation work)

Table 9

Regional Indicator	Progress	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Programme Totals	% Achieved of Contracted	% Programme Target Contracted	% Programme Target Achieved
Net Increase in GVA as a result of the Programme £ million	Programme Target	539													539	10%	34%	4%
	Contracted Indicator	0	0	2.20	1.50	4.04	5.46	16.69	11.12	140.89	0	0	0	0	181.89			
	Achieved Indicator	0	0	0	11.00	0	8.00	0	0	0	0	0	0	0	19.00			
Net Increase in employment	Programme Target	10,778													10,778	16%	31%	5%
	Contracted Indicator	0	0	0	10	100	368	64	282	2,522	0	0	0	0	3,346			
	Achieved Indicator	0	0	0	0	0	44	307	172	0	0	0	0	0	523			

Financial information (All financial data should be expressed in euro)

FINANCIAL TABLE – CALENDAR YEAR 2014 Priority axes by source of funding (€)

Table 10	Expenditure paid out by the beneficiaries included in payment claims sent to the managing authority (a)	Corresponding public contribution	Private expenditure	Expenditure paid by the body responsible for making payments to the beneficiaries (b)	Total payments received from the Commission (c)
Priority Axis 1					
Specify the Fund	ERDF				
Of which ESF type expenditure	€0.00	€0.00	€0.00	€0.00	€0.00
Of which ERDF type	€35,603,480.90	€32,984,628.33	€2,618,852.57	€35,795,007.23	€31,921,430.48
Priority Axis Total	€35,603,480.90	€32,984,628.33	€2,618,852.57	€35,795,007.23	€31,921,430.48
Priority Axis 2					
Specify the Fund	ERDF				
Of which ESF type expenditure	€0.00	€0.00	€0.00	€0.00	€0.00
Of which ERDF type	€27,395,704.03	€15,932,706.37	€11,462,997.66	€25,902,406.64	€24,698,210.11
Priority Axis Total	€27,395,704.03	€15,932,706.37	€11,462,997.66	€25,902,406.64	€24,698,210.11
Priority Axis 3					
Specify the Fund	ERDF				
Of which ESF type expenditure	€0.00	€0.00	€0.00	€0.00	€0.00
Of which ERDF type	€2,136,037.03	€2,135,897.33	€139.70	€2,247,714.44	€2,143,398.16
Priority Axis Total	€2,136,037.03	€2,135,897.33	€139.70	€2,247,714.44	€2,143,398.16
Grand Total	€65,135,221.96	€51,053,232.02	€14,081,989.94	€63,945,128.31	€58,763,038.75
Total in transitional regions in the grand total					
Total in non-transitional regions in the grand total	€65,135,221.96	€51,053,232.02	€14,081,989.94	€63,945,128.31	€58,763,038.75
ESF type expenditure in the grand total where the Operational Programme is co-financed by the ERDF	€0.00	€0.00	€0.00	€0.00	€0.00
ERDF type expenditure in the grand total where the Operational Programme is co-financed by the ESF					

FINANCIAL TABLE –Cumulative Priority axes by source of funding (€)

Table 11	Expenditure paid out by the beneficiaries included in payment claims sent to the managing authority (a)	Corresponding public contribution	Private expenditure	Expenditure paid by the body responsible for making payments to the beneficiaries (b)	Total payments received from the Commission (c)
Priority Axis 1					
Specify the Fund	ERDF				
Of which ESF type expenditure	€635,375.09	€588,019.95	€47,620.50	€359,591.44	€134,474.83
Of which ERDF type	€183,959,829.83	€174,829,862.60	€9,129,701.87	€182,262,348.64	€176,685,995.17
Priority Axis Total	€184,595,204.92	€175,417,882.55	€9,177,322.37	€182,621,940.08	€176,820,470.00
Priority Axis 2					
Specify the Fund	ERDF				
Of which ESF type expenditure	€0.00	€0.00	€0.00	€0.00	€0.00
Of which ERDF type	€129,297,386.42	€96,400,182.45	€32,897,203.97	€126,823,929.23	€122,851,279.89
Priority Axis Total	€129,297,386.42	€96,400,182.45	€32,897,203.97	€126,823,929.23	€122,851,279.89
Priority Axis 3					
Specify the Fund	ERDF				
Of which ESF type expenditure	€0.00	€0.00	€0.00	€0.00	€0.00
Of which ERDF type	€5,247,383.86	€5,227,123.79	€20,260.07	€5,220,829.42	€5,114,515.04
Priority Axis Total	€5,247,383.86	€5,227,123.79	€20,260.07	€5,220,829.42	€5,114,515.04
Grand Total	€319,139,975.20	€277,045,188.79	€42,094,786.41	€314,666,698.73	€304,786,264.93
Total in transitional regions in the grand total					
Total in non-transitional regions in the grand total	€319,139,975.20	€277,045,188.79	€42,094,786.41	€314,666,698.73	€304,786,264.92
ESF type expenditure in the grand total where the Operational Programme is co-financed by the ERDF	€0.00	€0.00	€0.00	€0.00	€0.00
ERDF type expenditure in the grand total where the Operational Programme is co-financed by the ESF					

BREAKDOWN OF THE USE OF FUNDS - The information presented in tables 12, 13, 14 and 15 present an indicative breakdown of ERDF investment against the Lisbon categorisation codes and codes of dimension identified in Annex II of EC Regulation (1828/2006). Table 12 data relates to those projects *where an offer of grant was made by DCLG Growth Delivery Team NE* between 01 January and 31 December 2014.

Table 12

Category Code	Priority	Field of Action	Project Reference Number	Applicant	Project Name	Project First Made Live Date	£	€	Intervention Rate
01	P1	FOA2	NE007128	RTC North Limited	Health Network North	Dec 15, 2014	£300,000	€345,213	50.0%

Table 13 data relates to those projects where an offer of grant was issued by One North East between 2007 and June 2011 and from July 2011 up to December 2014 by DCLG ERDF Growth Delivery Team NE.

BREAKDOWN OF THE USE OF FUNDS – CUMULATIVE

Table 13

Category Code	Priority	Field of Action	Project Reference Number	Applicant	Project Name	Project First Made Live Date	£	€	Intervention Rate
09	P1	FOA2	NE002395A	TWI	REMTEC Continuation	Oct 13, 2009	£648,058	€808,286	50.0%
64	P1	FOA2	NE003910B	Codeworks	Digital Placement & Knowledge Transfer	Dec 16, 2008	£578,513	€842,103	27.5%
09	P1	FOA1	NE004222A	Homes and Communities Agency	Design Centre for the North East - Premium Lease	Nov 10, 2009	£311,876	€349,986	50.0%
03	P1	FOA2	NE004296A	RTC North Limited	NHS Innovations North	Jun 26, 2009	£796,602	€927,677	47.3%
04	P1	FOA1	NE004306A	Department for Business, Innovation & Skills	Design Network North (former working title Design Knowledge Transfer Network)	Jun 26, 2009	£798,764	€985,362	50.0%
06	P1	FOA2	NE004444A	Centre for Process Innovation (CPI)	Energy & Environmental Technology Sector Support	Jul 21, 2009	£958,739	€1,140,070	50.0%
09	P1	FOA1	NE004495A	Durham County Council	NETpark Connector - Servicing Land	Sep 8, 2009	£175,838	€273,300	49.6%
03	P1	FOA2	NE004516A	Teesside University	Institute of Digital Innovation (DigitalCity)	Oct 1, 2009	£1,923,190	€2,216,927	41.4%
09	P1	FOA1	NE004715	Centre for Process Innovation (CPI)	PeTec Equipment (LACE)	Jul 30, 2009	£2,008,693	€2,343,741	49.5%
14	P1	FOA1	NE004801	North East Business and Innovation Centre	Sunderland Software City - Enterprise	Jul 16, 2009	£768,947	€985,085	47.1%
74	P1	FOA2	NE004802	University of Sunderland	Sunderland Software City - Education & Innovation Activity	Oct 7, 2009	£628,250	€734,691	28.0%
08	P1	FOA2	NE004863	North East Finance (Holdco)	North East JEREMIE Programme	Nov 27, 2009	£54,250,000	€61,890,146	38.1%
08	P1	FOA2	NE004863B	North East Finance (Holdco)	North East JEREMIE Holding Fund	May 10, 2010	£3,786,225	€4,492,381	50.0%
08	P1	FOA2	NE004863C	North East Finance (Holdco)	North East JEREMIE Product Fund	May 10, 2010	£11,000,000	€13,024,745	50.0%

Table 13

Category Code	Priority	Field of Action	Project Reference Number	Applicant	Project Name	Project First Made Live Date	£	€	Intervention Rate
					Management				
08	P1	FOA1	NE004911A	The National Renewable Energy Centre	Incubation & Inward Investment	Oct 29, 2009	£498,454	€578,251	50.0%
01	P1	FOA2	NE005021	Teesside University	North East Industrial Symbiosis Network	Jul 17, 2009	£595,161	€714,909	50.0%
09	P1	FOA2	NE005056	Teesside University	Science to Business Hub	May 7, 2009	£859,651	€1,013,996	48.0%
09	P1	FOA2	NE005074	Business & Enterprise North East	Innovation Vouchers	Jun 29, 2009	£997,633	€1,210,596	48.6%
09	P1	FOA2	NE005079	University of Northumbria at Newcastle	Healthcare Technology Development Programme	May 8, 2009	£691,174	€805,262	45.3%
71	P1	FOA2	NE005092	Durham County Council	NETPark Connector NETPark Net	Nov 17, 2009	£214,436	€254,515	50.0%
02	P1	FOA1	NE005093A	Centre for Process Innovation (CPI)	Wilton Connector - Process Business Incubator	Oct 7, 2009	£1,311,815	€1,554,831	37.3%
08	P1	FOA1	NE005099	Newcastle University	Translational Research Building	May 18, 2010	£1,869,056	€2,289,336	50.0%
05	P1	FOA2	NE005100	Newcastle Science City Company Ltd (NSC)	Newcastle Innovation Machine (NIM)	Jul 9, 2009	£2,287,075	€2,719,337	49.2%
71	P1	FOA1	NE005104	Newcastle City Council	Community Engagement	Jul 20, 2009	£774,481	€925,275	47.1%
08	P1	FOA1	NE005110	Redcar & Cleveland Borough Council	Redcar & Cleveland Creative Industries	May 6, 2011	£4,014,795	€5,133,607	50.0%
09	P1	FOA1	NE005120	Durham County Council	NETPark Connector - Large Grown On Space	Aug 6, 2009	£4,363,406	€5,514,247	47.5%
02	P1	FOA1	NE005165	Newcastle University	CHP, Trigeneration and Energy Storage Centre for Innovation and Business Development	Nov 2, 2009	£778,369	€961,251	50.0%
15	P1	FOA1	NE005178	Sunderland City Council	Sunderland Software Centre	May 24, 2010	£4,459,631	€5,434,676	49.9%
71	P1	FOA1	NE005181	Teesside University	Mass Participation Project	Oct 12, 2009	£514,981	€604,137	47.7%
71	P1	FOA1	NE005185	Durham University	NETPark Connector - Embedding The Benefits in Disadvantaged Communities	Sep 8, 2009	£457,238	€563,032	50.0%
06	P1	FOA1	NE005233A	Centre for Process Innovation (CPI)	PETEC Displays & Photonics Technologies Facility (PDPTF)	Oct 19, 2009	£8,498,845	€10,011,290	49.1%
09	P1	FOA1	NE005255A	University of Sunderland	Health Sciences Complex – Continuation	Apr 13, 2010	£977,094	€1,132,349	50.0%
14	P1	FOA1	NE005281	Codeworks	Agile Software Innovation Programme	Oct 16, 2009	£648,062	€743,605	43.8%
01	P1	FOA1	NE005311	Middlesbrough Council	DigitalCity Business 2010-12 Revenue	Sep 27, 2010	£816,280	€994,371	49.0%
61	P1	FOA1	NE005320	Gateshead Council	Northern Design Centre & Creative Business Centre	Oct 14, 2009	£4,503,697	€5,884,038	49.9%
09	P1	FOA1	NE005323	The National Renewable Energy Centre	Business Support in Microrenewables	Nov 9, 2009	£456,248	€570,336	50.0%
42	P1	FOA1	NE005387	The National Renewable Energy Centre	NaREC Marine Testing Facility	Oct 1, 2010	£6,335,317	€7,338,492	50.0%
42	P1	FOA1	NE005427	The National Renewable Energy	National Blade Test Facility	Apr 15, 2011	£4,686,130	€5,634,287	48.4%

Table 13

Category Code	Priority	Field of Action	Project Reference Number	Applicant	Project Name	Project First Made Live Date	£	€	Intervention Rate
				Centre					
43	P1	FOA1	NE005543	The National Renewable Energy Centre	Narec Social Housing Energy Management	Mar 16, 2011	£1,773,670	€2,296,708	50.0%
43	P1	FOA2	NE005561	Sunderland City Council	Low Carbon Energy Demonstration Sunderland Social Housing Project	Jan 4, 2012	£1,942,369	€2,278,653	50.0%
02	P1	FOA1	NE005577	Newcastle City Council	The Core	Nov 20, 2012	£5,629,623	€6,842,384	50.0%
06	P1	FOA2	NE005622	Newcastle University	Sustainable Lifecycle Design	Jan 3, 2012	£61,312	€76,173	50.0%
03	P1	FOA1	NE005626	Newcastle University	Postgraduates for Business Support	Aug 20, 2012	£48,159	€62,233	50.0%
04	P1	FOA2	NE005632	North East Business and Innovation Centre	North East SME Innovation Programme	Dec 2, 2011	£724,102	€865,065	50.0%
14	P1	FOA1	NE005633	Sunderland City Council	Sunderland Software City Phase 2	Jan 6, 2012	£1,985,432	€2,395,268	50.0%
01	P1	FOA1	NE005641	Teesside University	DigitalCity Innovation and Growth Programme	Jul 20, 2012	£2,189,651	€2,567,288	50.0%
04	P1	FOA2	NE005644	RTC North Limited	The Innovation Pathway North East	Feb 14, 2012	£559,016	€672,412	50.0%
03	P1	FOA1	NE005665	Stockton on Tees Borough Council	Digital City Stockton	Jul 10, 2012	£512,503	€621,985	50.0%
05	P1	FOA2	NE007008	Newcastle Science City Company Ltd (NSC)	NSCL - Enterprise to Business Hub (E2B)	Jun 8, 2012	£465,001	€549,166	50.0%
01	P1	FOA1	NE007020	Middlesbrough Council	Digital City - Garages to Global	Mar 25, 2013	£1,074,000	€1,270,406	50.0%
08	P1	FOA1	NE007036	Middlesbrough Council	DigitalCity: BOHO 5	Aug 27, 2013	£1,940,366	€2,263,690	50.0%
50	P1	FOA2	NE007039	North Tyneside Council	Former Swan Hunter Site Low-Carbon Enterprise Zone	Jul 8, 2013	£7,889,545	€9,273,824	50.0%
08	P1	FOA2	NE007043	Sunderland City Council	North East LEP Enterprise Zone: A19 Ultra Low Carbon Vehicle Corridor Phase 1a and 1b	Aug 14, 2013	£2,749,956	€3,178,514	50.0%
50	P1	FOA2	NE007048	Newcastle City Council	North Bank of the Tyne	Aug 27, 2013	£2,479,963	€2,860,144	50.0%
04	P1	FOA2	NE007052	Newcastle City Council	Business and Intellectual Property Centre	Mar 7, 2013	£597,752	€715,770	50.0%
02	P1	FOA2	NE007054	Middlesbrough Council	Teesside Advanced Manufacturing Park	Nov 29, 2013	£2,385,750	€2,767,462	46.2%
03	P1	FOA2	NE007061	RTC North Limited	Design for Growth	Mar 5, 2013	£941,777	€1,122,793	50.0%
04	P1	FOA1	NE007062	The National Renewable Energy Centre	Renewable Energy Technology Accelerator (RETA)	Jun 4, 2013	£989,366	€1,184,934	50.0%
02	P1	FOA1	NE007074	North Tyneside Council	River Tyne Energy and Innovation Centre	Dec 20, 2013	£1,014,188	€1,167,037	50.0%
02	P1	FOA2	NE007075	Stockton on Tees Borough Council	Northshore Innovation Centre	Oct 25, 2013	£2,945,610	€3,433,834	50.0%
64	P1	FOA2	NE007114	Gateshead Council	Digital Quay	Dec 18, 2013	£1,718,744	€2,093,711	50.0%
03	P1	FOA1	NE007121	RTC North Limited	NHS Innovations North (2013-2015)	Dec 3, 2013	£518,766	€622,154	46.5%
01	P1	FOA2	NE007128	RTC North Limited	Health Network North	Dec 15, 2014	£300,000	€345,213	50.0%

Table 13

Category Code	Priority	Field of Action	Project Reference Number	Applicant	Project Name	Project First Made Live Date	£	€	Intervention Rate
64	P2	FOA2	NE003922a	Entrust	Graduates for Business/Shell Step	Jun 25, 2009	£653,423	€747,034	39.3%
68	P2	FOA2	NE003928A	Business & Enterprise North East	Business Link Branded IDB & Solutions Funding	Jan 27, 2009	£10,479,766	€11,847,737	50.0%
64	P2	FOA2	NE003928B	Business & Enterprise North East	ERDF IDB 2010-2012	Mar 25, 2010	£11,500,979	€13,782,751	49.9%
01	P2	FOA2	NE003928C	Business & Enterprise North East	Tees Valley Investment Fund	May 27, 2010	£896,130	€1,058,376	50.0%
64	P2	FOA2	NE004084	Department for Business, Innovation & Skills	MAS/NEPA Service	Feb 3, 2009	£3,665,306	€4,815,175	46.1%
71	P2	FOA1	NE004180b	Princes Trust	Business Growth & Support for Enterprising Young People	Jun 30, 2009	£353,267	€412,513	49.2%
68	P2	FOA1	NE004718	Department for Business, Innovation & Skills	Flexible Families	May 1, 2009	£396,704	€587,110	50.0%
64	P2	FOA1	NE004809	Northumberland County Council	Berwick Incubator Development – Revenue	Nov 4, 2009	£145,236	€165,584	49.2%
08	P2	FOA2	NE004809A	Northumberland County Council	Berwick Workspace Incubator	Sep 3, 2012	£172,850	€210,608	50.0%
64	P2	FOA2	NE005024	Business & Enterprise North East	Enhancing International Trade	Oct 21, 2009	£4,303,700	€5,226,018	46.6%
71	P2	FOA1	NE005034	Newcastle City Council	Newcastle Enterprise Package	Jul 15, 2009	£1,468,532	€1,735,477	50.0%
71	P2	FOA1	NE005034A	Newcastle City Council	Newcastle Enterprise Package Phase 2	Jan 31, 2012	£816,131	€982,312	50.0%
71	P2	FOA1	NE005036	North Tyneside Council	Raising Enterprise North Tyneside	Jun 30, 2009	£747,387	€870,493	50.0%
71	P2	FOA1	NE005036A	North Tyneside Council	Raising Enterprise North Tyneside (Extension)	Jan 3, 2012	£1,118,451	€1,345,205	50.0%
71	P2	FOA1	NE005042	Durham County Council	Be Enterprising	Jul 17, 2009	£3,793,271	€4,761,703	48.9%
71	P2	FOA1	NE005043	Tees Valley Unlimited	TV Integrated Business Support Activity	Jul 31, 2009	£3,160,625	€3,923,546	47.1%
71	P2	FOA1	NE005045	Gateshead Council	Inspire Gateshead	Jun 1, 2009	£486,536	€573,058	49.6%
64	P2	FOA2	NE005058A	Entrust	Company Recovery Continuation	May 16, 2011	£212,776	€260,025	50.0%
64	P2	FOA2	NE005067	Department for Business, Innovation & Skills	Growth Project Logistics 2	Oct 12, 2009	£475,875	€555,692	50.0%
71	P2	FOA1	NE005072	SES	Social and Traditional Enterprise	Oct 21, 2009	£871,535	€1,025,527	48.2%
04	P2	FOA2	NE005083	RTC North Limited	R & D Globalisation Programme	Apr 29, 2009	£487,330	€562,594	50.0%
04	P2	FOA2	NE005083B	RTC North Limited	R & D Globalisation Programme - Technical fix	Apr 12, 2011	£5,840	€6,720	50.0%
68	P2	FOA1	NE005094	Northumberland Business Service Limited (NBSL)	Enterprise Bridge Programme – Northumberland	Apr 6, 2009	£715,213	€811,826	50.0%
71	P2	FOA1	NE005128	Tarka	TARKA	Apr 22, 2009	£280,000	€324,229	50.0%
64	P2	FOA2	NE005139	Business & Enterprise North East	Supporting Business Resilience	Feb 26, 2009	£1,102,025	€1,296,566	50.0%
08	P2	FOA2	NE005190	Department for Business, Innovation & Skills	Providing Access to Finance for SMEs	Jul 6, 2009	£634,218	€775,024	50.0%
08	P2	FOA2	NE005194	Department for Business, Innovation & Skills	Horizons	Jun 25, 2009	£430,195	€500,376	49.8%

Table 13

Category Code	Priority	Field of Action	Project Reference Number	Applicant	Project Name	Project First Made Live Date	£	€	Intervention Rate
50	P2	FOA2	NE005264	Newcastle City Council	Toffee Factory Refurbishment	Jul 28, 2010	£2,843,652	€3,469,205	49.4%
71	P2	FOA1	NE005286	South Tyneside Metropolitan Borough Council	Enterprise Coaching in South Tyneside	Nov 11, 2009	£742,750	€866,012	50.0%
71	P2	FOA1	NE005294	Sunderland City Council	Enterprise Coaching in Sunderland	Apr 1, 2010	£889,750	€1,061,812	50.0%
64	P2	FOA2	NE005295	Department for Business, Innovation & Skills	MAS NE Resource Efficiency	Oct 21, 2009	£298,624	€409,847	50.0%
08	P2	FOA2	NE005322	Northern Film and Media (Holdco) Limited	Creative Content Co-Investment fund	Nov 27, 2009	£2,400,000	€2,674,094	50.0%
64	P2	FOA2	NE005378	Generator	Building the Business of Music	Mar 3, 2010	£679,941	€801,046	50.0%
71	P2	FOA2	NE005379	Northumberland County Council	Putting Enterprise into Place (Northumberland)	Jul 6, 2010	£1,982,334	€2,342,037	50.0%
09	P2	FOA1	NE005403	Centre West Partnership	The Beacon	Jul 5, 2010	£2,406,970	€2,775,267	48.2%
09	P2	FOA2	NE005407	South Tyneside Metropolitan Borough Council	One Trinity Green	Apr 14, 2011	£2,467,024	€2,932,885	46.3%
09	P2	FOA2	NE005453	Mushroom Works C.I.C	Brighton Road Studios	Jul 5, 2011	£300,000	€357,006	50.0%
71	P2	FOA1	NE005458	Princes Trust	Enterprise Coaching - Princes Trust	Oct 31, 2011	£907,948	€1,114,786	50.0%
71	P2	FOA1	NE005459	Redcar & Cleveland Borough Council	Redcar & Darlington Enterprise Coaching	Aug 12, 2010	£1,706,707	€2,062,006	50.0%
08	P2	FOA1	NE005463	Sunderland City Council	Washington Business Centre	Nov 6, 2012	£3,416,609	€4,154,622	50.0%
71	P2	FOA1	NE005466	Northern Pinetree Trust	Enterprise Coaching for people with a disability	Mar 25, 2011	£764,780	€895,934	50.0%
09	P2	FOA2	NE005586	Durham County Council	Consett Business Park Final Phase ERDF	Jan 16, 2012	£1,134,492	€1,326,777	38.7%
04	P2	FOA2	NE005589	RTC North Limited	R&D Globalisation continuation	May 17, 2011	£377,803	€460,475	50.0%
64	P2	FOA2	NE005613	Teesside University	Graduate Recruitment and Placements for SMEs	Sep 16, 2011	£2,547,111	€3,014,187	50.0%
71	P2	FOA1	NE005625	North East Enterprise Agency Ltd	Business Support in the North East	Feb 2, 2012	£1,688,823	€2,037,731	50.0%
09	P2	FOA2	NE005635	Durham County Council	NeST 2	Feb 28, 2012	£773,879	€910,418	50.0%
64	P2	FOA2	NE005636	University of Sunderland	Graduate SME Internships	May 10, 2012	£1,336,754	€1,611,125	50.0%
14	P2	FOA2	NE005639	Teesside University	Teesside University Graduate Enterprise	Jul 20, 2012	£1,016,363	€1,214,221	50.0%
08	P2	FOA1	NE005646	North East Theatre Trust Limited	Live Theatre – The Schoolhouse	Oct 15, 2012	£459,407	€553,473	50.0%
14	P2	FOA2	NE005648	Northumberland Business Service Limited (NBSL)	Increasing Private Sector Business Growth in the North East Economy	Feb 2, 2012	£1,633,017	€1,969,068	50.0%
14	P2	FOA2	NE005650	The North East Social Enterprise Partnership (NESEP)	Sustainable Enterprise	Jan 25, 2013	£980,344	€1,174,024	50.0%
14	P2	FOA1	NE005653	SES	Community Enterprise Coaching for Under-represented Groups	Sep 14, 2012	£540,434	€642,347	50.0%

Table 13

Category Code	Priority	Field of Action	Project Reference Number	Applicant	Project Name	Project First Made Live Date	£	€	Intervention Rate
06	P2	FOA2	NE005654	Environmental Academy	Environmental Management Support Initiative (EMSI)	Apr 23, 2012	£510,841	€616,167	36.3%
06	P2	FOA2	NE005655	Teesside University	Resource Efficiency Pathway to Sustainable Growth (REPS)	Apr 8, 2013	£1,268,292	€1,491,259	50.0%
09	P2	FOA2	NE005657	Business & Enterprise Commercial	Investment for Growth	Jan 30, 2012	£6,529,564	€7,982,576	50.0%
14	P2	FOA1	NE005662	Durham County Council	Developing Creative Industries in County Durham	Aug 10, 2012	£165,000	€198,782	50.0%
64	P2	FOA2	NE007000	Newcastle University	Improving SME Performance through Graduate Apprentices	Jun 19, 2012	£836,569	€974,918	47.6%
08	P2	FOA1	NE007009	East Durham Business Service Ltd	Novus II Business Centre	Nov 21, 2012	£440,612	€556,228	50.0%
14	P2	FOA2	NE007013	Business & Enterprise Commercial	Business Generator	Oct 25, 2012	£154,134	€180,320	50.0%
14	P2	FOA2	NE007014	West Midlands Manufacturing Consortium (WMMC) Ltd	MAS North East Growth Programme	Aug 21, 2013	£223,029	€268,637	50.0%
14	P2	FOA2	NE007016	Go Global Ltd	Growth Through International Trade	Nov 29, 2012	£3,265,499	€3,892,216	44.1%
06	P2	FOA2	NE007017	North East Process Industry Cluster (NEPIC)	Delivering Energy Efficient Low Carbon Sustainable Industry (DELOCSI)	Aug 6, 2012	£534,699	€642,015	50.0%
08	P2	FOA2	NE007019	MK (The Jesmond) Limited	The Jesmond	Nov 18, 2013	£1,269,348	€1,460,653	44.9%
09	P2	FOA2	NE007030	Northern Film and Media	North East Creative Industries SME Development (Continuation)	Nov 30, 2012	£515,129	€606,329	40.1%
08	P2	FOA2	NE007044	Sunderland City Council	Vaux Redevelopment Phase 1: Advance Infrastructure Works	Apr 16, 2013	£2,509,627	€3,004,965	50.0%
14	P2	FOA2	NE007051	Generator	Music Futures	Feb 25, 2013	£600,000	€705,986	50.0%
14	P2	FOA2	NE007055	Winning Pitch	North East ERDF GrowthAccelerator	Nov 12, 2013	£514,495	€604,693	40.0%
14	P2	FOA2	NE007059	NewcastleGateshead Initiative	Supporting Business Growth and Attracting Investment to NewcastleGateshead and the North East	Aug 20, 2013	£387,610	€472,653	50.0%
14	P2	FOA2	NE007060	Northumberland Business Service Limited (NBSL)	Stimulating Business Growth in the North East	Mar 6, 2013	£5,567,144	€6,567,504	50.0%
14	P2	FOA2	NE007063	Northumberland County Council	Northumberland Business Development Support Programme 2012-2015	Aug 12, 2013	£806,164	€981,813	50.0%
14	P2	FOA1	NE007064	University of Sunderland	The Enterprise Place	Dec 9, 2013	£354,297	€421,638	50.0%
15	P2	FOA2	NE007068	North East Business and Innovation Centre	BIC ICT Infrastructure and Growth Hub Project	Jul 8, 2013	£342,469	€418,956	50.0%
08	P2	FOA2	NE007071	Arch Commercial Enterprise Ltd	Blyth Commissioners Quay (Blyth Workspace)	Oct 29, 2013	£2,977,000	€3,613,400	45.7%
14	P2	FOA2	NE007076	Northumberland County Council	iNorthumberland Digital Economy Innovation and Growth	Aug 12, 2013	£4,684,645	€5,437,075	50.0%
14	P2	FOA2	NE007079	Northumberland County Council	Rural Growth Network Business	Oct 8, 2013	£819,625	€987,634	50.0%

Table 13

Category Code	Priority	Field of Action	Project Reference Number	Applicant	Project Name	Project First Made Live Date	£	€	Intervention Rate
					Support Project				
02	P2	FOA2	NE007083	Darlington Borough Council	Darlington Business Growth Hub	Aug 20, 2013	£3,299,760	€3,983,108	50.0%
08	P2	FOA2	NE007086	Hoults Ltd	Maling Exchange	Sep 30, 2013	£1,512,381	€1,796,637	27.0%
08	P2	FOA2	NE007090	North East Theatre Trust Limited	Live Theatre - Liveworks	Oct 31, 2013	£2,555,435	€2,940,567	48.4%
08	P2	FOA2	NE007095	Hellens Investment (Washington) LLP	West Chirton North Starter Units	Jul 11, 2013	£1,022,829	€1,248,076	39.3%
08	P2	FOA2	NE007096	Hellens Investment (Washington) LLP	Teal Farm Park Phase II	May 17, 2013	£674,325	€799,095	50.0%
08	P2	FOA2	NE007097	Ravensworth Property Developments LLP	Portobello Trade Park	Nov 7, 2013	£2,756,931	€3,223,877	43.8%
64	P2	FOA1	NE007108	Hartlepool Borough Council	Hartlepool Enterprise Growth Hub	Dec 9, 2013	£403,130	€474,333	50.0%
64	P2	FOA2	NE007109	University of Northumbria at Newcastle	Northumbria Graduates Into Business	Dec 16, 2013	£583,126	€680,609	50.0%
64	P2	FOA2	NE007117	Newcastle City Council	Super Connected Newcastle: Go Digital Business Support	Nov 28, 2013	£435,161	€512,197	50.0%
09	P2	FOA2	NE007123	Teesside University	Leading Growth	Dec 18, 2013	£541,669	€630,581	50.0%
64	P2	FOA2	RG109P01B	Northern Film and Media	Northern Film & Media continuation – ERDF	Feb 4, 2010	£904,481	€1,105,320	39.2%
64	P2	FOA2	RG402P07A	Codeworks	Codeworks Connect / Codeworks GameHorizon	Aug 13, 2009	£971,102	€1,106,202	33.3%
02	P2	FOA2	RG415P03A	University of Sunderland	Digital Factory Project	Oct 16, 2009	£375,528	€512,216	46.6%
85	P3	NA	NE004554	Durham County Council	Durham SRP Capacity	Jul 6, 2009	£16,487	€18,972	50.0%
85	P3	NA	NE004558A	Department for Communities and Local Government	Project Verification Service	Oct 27, 2009	£172,315	€202,926	48.5%
85	P3	NA	NE005068	Department for Communities and Local Government	ERDF Technical Assistance	Apr 24, 2009	£4,396,838	€5,158,670	50.0%
85	P3	NA	NE005245	Northumberland County Council	Northumberland SRP Capacity 2009-2015	Jul 21, 2009	£321,136	€379,103	49.3%
85	P3	NA	NE005246	Tees Valley Unlimited	Tees Valley SRP Capacity 2009-11	Oct 14, 2009	£106,929	€124,601	50.0%
85	P3	NA	NE005247	Durham County Council	Durham SRP Capacity 2009-11	Jul 6, 2009	£75,153	€90,917	50.0%
85	P3	NA	NE005389	Newcastle City Council	Newcastle City Council - Technical Assistance	Aug 2, 2010	£277,813	€333,247	50.0%
85	P3	NA	NE007031	Stockton on Tees Borough Council	Tees Valley Unlimited ERDF Support 2012-15	Aug 22, 2012	£384,368	€459,405	50.0%
85	P3	NA	NE007033	IPPR North	Northern Economic Futures	Jan 25, 2013	£17,081	€21,571	50.0%
85	P3	NA	NE007034	Northumberland County Council	Technical Assistance - NELEP	Jul 23, 2013	£129,144	€159,000	50.0%
85	P3	NA	NE007053	North East Access to Finance Ltd	Evaluation of North East Publicly Funded SME Finance	Jan 11, 2013	£317,106	€365,609	50.0%
							£314,874,179	€373,534,287	

AGGREGATE BREAKDOWN OF FUNDS AGAINST LISBON CATEGORISATION CODES

Aggregate figures relating to projects approved to 31/12/2014 are categorised in table 14 below – from left to right, the Lisbon code and theme against which it is categorised, the total indicative allocation against this category for the programme as a whole taken from the OP and finally the information details the Priority and Field of Action under which a project was submitted with its ERDF allocation in Sterling and Euros.

Table 14			P1		P2		P3	Total
			FOA1	FOA2	FOA2	FOA1	NA	
			P1 - FOA1	P1 - FOA2	P2 - FOA2	P2 - FOA1	P3 - NA	
01	R&TD activities in research centres	€39,824,086	€4,832,066	€1,060,122	€1,058,376	€0	€0	€6,950,563.81
			£4,079,931	£895,161	£896,130	£0	£0	£5,871,221.65
02	R&TD infrastructure (including physical plant, instrumentation and high-speed computer networks linking research centres) and centres of competence in a specific technology	€39,824,086	€10,525,503	€6,201,296	€4,495,324	€0	€0	€21,222,123.04
			£8,733,995	£5,331,360	£3,675,288	£0	£0	£17,740,642.93
03	Technology transfer and improvement of cooperation networks between small businesses (SMEs), between these and other businesses and universities, post-secondary education establishments of all kinds, regional authorities, research centres and scientific a	€9,956,021	€1,306,371	€4,267,396	€0	€0	€0	€5,573,767.35
			£1,079,428	£3,661,569	£0	£0	£0	£4,740,996.80
04	Assistance to R&TD, particularly in SMEs (including access to R&TD services in research centres)	€19,912,043	€2,170,296	€2,253,247	€1,029,789	€0	€0	€5,453,332.57
			£1,788,130	£1,880,870	£870,973	£0	£0	£4,539,973.38
05	Advanced support services for firms and groups of firms	€42,266,119	€0	€3,268,503	€0	€0	€0	€3,268,503.47
			£0	£2,752,076	£0	£0	£0	£2,752,075.94
06	Assistance to SMEs for the promotion of environmentally-friendly products and production processes (introduction of effective environment managing system, adoption and use of pollution prevention technologies, integration of clean technologies into firm p	€26,111,075	€10,011,290	€1,216,244	€2,749,441	€0	€0	€13,976,974.57
			£8,498,845	£1,020,051	£2,313,831	£0	£0	£11,832,727.57
07	Investment in firms directly linked to research and innovation (innovative technologies, establishment of new firms by universities, existing R&TD centres and firms, etc.)	€9,956,021	€0	€0	€0	€0	€0	€0.00
			£0	£0	£0	£0	£0	£0.00

Table 14			P1		P2		P3	Total
			FOA1	FOA2	FOA2	FOA1	NA	
			P1 - FOA1	P1 - FOA2	P2 - FOA2	P2 - FOA1	P3 - NA	
08	Other investment in firms	€27,726,581	€10,264,884	€82,585,785	€22,247,372	€5,264,323	€0	€120,362,364.19
			£8,322,670	£71,786,181	£18,915,139	£4,316,629	£0	£103,340,619.05
09	Other measures to stimulate research and innovation and entrepreneurship in SMEs	€22,617,075	€10,183,959	€3,838,141	€14,746,571	€2,775,267	€0	€31,543,938.43
			£8,293,156	£3,196,516	£12,261,757	£2,406,970	£0	£26,158,397.79
10	Telephone infrastructures (including broadband networks)	€2,500,000	€0	€0	€0	€0	€0	€0.00
			£0	£0	£0	£0	£0	£0.00
14	Services and applications for SMEs (e-commerce, education and training, networking, etc.)	€13,655,054	€4,123,958	€0	€24,455,845	€1,262,767	€0	€29,842,570.59
			£3,402,441	£0	£20,652,069	£1,059,731	£0	£25,114,241.52
15	Other measures for improving access to and efficient use of ICT by SMEs	€8,077,527	€5,434,676	€0	€418,956	€0	€0	€5,853,631.97
			£4,459,631	£0	£342,469	£0	£0	£4,802,100.43
42	Renewable energy: hydroelectric, geothermal and other	€9,956,021	€12,972,779	€0	€0	€0	€0	€12,972,779.25
			£11,021,447	£0	£0	£0	£0	£11,021,446.97
43	Energy efficiency, co-generation, energy management	€16,155,054	€2,296,708	€2,278,653	€0	€0	€0	€4,575,361.00
			£1,773,670	£1,942,369	£0	£0	£0	£3,716,039.08
50	Rehabilitation of industrial sites and contaminated land	€18,033,548	€0	€12,133,967	€3,469,205	€0	€0	€15,603,171.80
			£0	£10,369,508	£2,843,652	£0	£0	£13,213,159.87
61	Integrated projects for urban and rural regeneration	€18,033,548	€5,884,038	€0	€0	€0	€0	€5,884,037.75
			£4,503,697	£0	£0	£0	£0	£4,503,696.63
64	Development of specific services for employment, training and support in connection with restructuring of sectors and firms, and development of systems for anticipating economic changes and future requirements in terms of jobs and skills	€10,077,532	€0	€2,935,814	€36,898,711	€639,917	€0	€40,474,443.03
			£0	£2,297,257	£30,506,954	£548,366	£0	£33,352,576.10
68	Support for self-employment and business start-up	€20,000,000	€0	€0	€11,847,737	€1,398,937	€0	€13,246,673.20
			£0	£0	£10,479,766	£1,111,917	£0	£11,591,682.38
71	Pathways to integration and re-entry into employment for disadvantaged people; combating discrimination in accessing and progressing in the labour market and promoting acceptance of diversity at the workplace	€2,033,552	€2,092,444	€254,515	€2,342,037	€23,992,344	€0	€28,681,340.64
			£1,746,699	£214,436	£1,982,334	£19,796,493	£0	£23,739,962.68
74	Developing human potential in the field	€3,956,021	€0	€734,691	€0	€0	€0	€734,690.56

Table 14			P1		P2		P3	Total
			FOA1	FOA2	FOA2	FOA1	NA	
			P1 - FOA1	P1 - FOA2	P2 - FOA2	P2 - FOA1	P3 - NA	
	of research and innovation, in particular through post-graduate studies and training of researchers, and networking activities between universities, research centres and businesses		£0	£628,250	£0	£0	£0	£628,249.90
85	Preparation, implementation, monitoring and inspection	€13,525,160	€0	€0	€0	€0	€7,314,020	€7,314,019.58
			£0	£0	£0	£0	£6,214,369	£6,214,368.67
86	Evaluation and studies; information and communication	€1,502,796	€0	€0	€0	€0	€0	€0.00
			£0	£0	£0	£0	£0	£0.00
TOTALS		€375,698,920	€82,098,973	€123,028,375	€125,759,364	€35,333,556	€7,314,020	€373,534,287
			€67,703,740	€105,975,603	€105,740,363	€29,240,105	€6,214,369	€314,874,179

BREAKDOWN OF FUNDS AGAINST CODES OF DIMENSION

Table 15 Codes of dimension 2014

Table 15

Objective	Priority Theme	Form of Finance	Territory	Economic Activity	Location	Allocated Community Contribution
RCE	01	01	01	21	UKC11	323,138.66
RCE	01	01	01	21	UKC12	255,937.26
RCE	01	01	01	21	UKC13	135,832.62
RCE	01	01	01	22	UKC11	2,028,525.40
RCE	01	01	01	22	UKC12	2,380,655.07
RCE	01	01	01	22	UKC13	1,566,762.62
RCE	01	01	01	22	UKC14	66,737.93
RCE	01	01	01	22	UKC21	51,764.89
RCE	01	01	01	22	UKC22	110,819.06
RCE	01	01	01	22	UKC23	30,390.29
RCE	02	01	01	21	UKC11	1,250,892.96
RCE	02	01	01	21	UKC12	990,751.50
RCE	02	01	01	21	UKC13	525,817.84
RCE	02	01	01	21	UKC22	754,581.72
RCE	02	01	01	21	UKC23	206,668.88
RCE	02	01	01	22	UKC11	4,136,617.42
RCE	02	01	01	22	UKC12	556,629.50
RCE	02	01	01	22	UKC13	4,278,526.03
RCE	02	01	01	22	UKC22	6,940,398.22
RCE	02	01	01	22	UKC23	1,581,238.98
RCE	03	01	01	22	UKC11	1,582,609.06
RCE	03	01	01	22	UKC12	1,252,860.25
RCE	03	01	01	22	UKC13	665,387.20
RCE	03	01	01	22	UKC14	516,681.56
RCE	03	01	01	22	UKC21	400,761.04
RCE	03	01	01	22	UKC22	906,808.14
RCE	03	01	01	22	UKC23	248,660.10
RCE	04	01	01	21	UKC11	132,751.36
RCE	04	01	01	21	UKC12	104,867.94
RCE	04	01	01	21	UKC13	55,860.72
RCE	04	01	01	21	UKC14	229,075.90
RCE	04	01	01	21	UKC21	177,681.39
RCE	04	01	01	21	UKC22	380,383.02
RCE	04	01	01	21	UKC23	104,313.74
RCE	04	01	01	22	UKC11	346,422.22
RCE	04	01	01	22	UKC12	273,658.86
RCE	04	01	01	22	UKC13	145,771.73
RCE	04	01	01	22	UKC14	597,786.58
RCE	04	01	01	22	UKC21	463,669.67
RCE	04	01	01	22	UKC22	1,915,983.97
RCE	04	01	01	22	UKC23	525,105.46
RCE	05	01	01	22	UKC22	2,565,775.22
RCE	05	01	01	22	UKC23	702,728.25
RCE	06	01	01	06	UKC14	10,011,290.11
RCE	06	01	01	21	UKC11	1,160,995.74
RCE	06	01	01	21	UKC12	919,140.90

Table 15

Objective	Priority Theme	Form of Finance	Territory	Economic Activity	Location	Allocated Community Contribution
RCE	06	01	01	21	UKC13	488,115.38
RCE	06	01	01	21	UKC14	339,522.36
RCE	06	01	01	21	UKC21	263,348.54
RCE	06	01	01	21	UKC22	563,780.57
RCE	06	01	01	21	UKC23	154,607.48
RCE	06	01	01	22	UKC11	8,533.92
RCE	06	01	01	22	UKC12	6,741.44
RCE	06	01	01	22	UKC13	3,591.01
RCE	06	01	01	22	UKC14	14,726.15
RCE	06	01	01	22	UKC21	11,422.25
RCE	06	01	01	22	UKC22	24,452.92
RCE	06	01	01	22	UKC23	6,705.81
RCE	08	01	01	15	UKC11	84,126.96
RCE	08	01	01	15	UKC12	66,456.73
RCE	08	01	01	15	UKC13	35,399.96
RCE	08	01	01	15	UKC14	145,169.57
RCE	08	01	01	15	UKC21	112,599.93
RCE	08	01	01	15	UKC22	241,055.65
RCE	08	01	01	15	UKC23	66,105.52
RCE	08	01	01	21	UKC21	560,262.71
RCE	08	01	01	22	UKC11	3,830,171.68
RCE	08	01	01	22	UKC12	3,033,518.63
RCE	08	01	01	22	UKC13	1,610,051.72
RCE	08	01	01	22	UKC14	632,702.91
RCE	08	01	01	22	UKC21	3,777,789.15
RCE	08	01	01	22	UKC22	20,218,637.48
RCE	08	01	01	22	UKC23	3,866,950.06
RCE	08	03	01	15	UKC11	9,391,018.29
RCE	08	03	01	15	UKC12	7,418,505.96
RCE	08	03	01	15	UKC13	3,951,666.11
RCE	08	03	01	15	UKC14	16,205,151.79
RCE	08	03	01	15	UKC21	12,101,999.31
RCE	08	03	01	15	UKC22	25,908,144.64
RCE	08	03	01	15	UKC23	7,104,879.43
RCE	09	01	01	06	UKC14	2,342,044.31
RCE	09	01	01	15	UKC11	135,528.19
RCE	09	01	01	15	UKC12	107,061.52
RCE	09	01	01	15	UKC13	57,029.19
RCE	09	01	01	15	UKC14	233,867.60
RCE	09	01	01	15	UKC21	181,398.04
RCE	09	01	01	15	UKC22	388,339.69
RCE	09	01	01	15	UKC23	106,495.73
RCE	09	01	01	21	UKC11	63,850.05
RCE	09	01	01	21	UKC12	50,438.83
RCE	09	01	01	21	UKC13	26,867.60
RCE	09	01	01	21	UKC14	110,179.72
RCE	09	01	01	21	UKC21	85,460.26
RCE	09	01	01	21	UKC22	182,954.63
RCE	09	01	01	21	UKC23	50,172.28

Table 15

Objective	Priority Theme	Form of Finance	Territory	Economic Activity	Location	Allocated Community Contribution
RCE	09	01	01	22	UKC11	1,947,920.35
RCE	09	01	01	22	UKC12	1,540,484.63
RCE	09	01	01	22	UKC13	819,308.87
RCE	09	01	01	22	UKC14	9,959,965.90
RCE	09	01	01	22	UKC21	1,505,551.29
RCE	09	01	01	22	UKC22	9,143,599.80
RCE	09	01	01	22	UKC23	2,505,419.94
RCE	14	01	01	06	UKC11	29,944.72
RCE	14	01	01	06	UKC12	23,655.05
RCE	14	01	01	06	UKC13	12,600.50
RCE	14	01	01	06	UKC14	51,672.63
RCE	14	01	01	06	UKC21	40,079.58
RCE	14	01	01	06	UKC22	85,802.97
RCE	14	01	01	06	UKC23	23,530.04
RCE	14	01	01	22	UKC11	1,477,238.38
RCE	14	01	01	22	UKC12	1,168,097.05
RCE	14	01	01	22	UKC13	621,369.55
RCE	14	01	01	22	UKC14	1,855,087.25
RCE	14	01	01	22	UKC21	10,604,494.59
RCE	14	01	01	22	UKC22	10,866,112.47
RCE	14	01	01	22	UKC23	2,982,885.81
RCE	15	01	01	22	UKC22	4,266,221.24
RCE	15	01	01	22	UKC23	1,587,410.73
RCE	42	01	01	21	UKC21	12,972,779.25
RCE	43	01	01	21	UKC21	2,301,899.65
RCE	43	01	01	21	UKC22	1,784,667.16
RCE	43	01	01	21	UKC23	488,794.19
RCE	50	01	01	21	UKC22	7,270,354.45
RCE	50	01	01	21	UKC23	1,991,243.58
RCE	50	01	01	22	UKC22	4,978,135.41
RCE	50	01	01	22	UKC23	1,363,438.36
RCE	61	01	01	22	UKC22	4,618,969.63
RCE	61	01	01	22	UKC23	1,265,068.12
RCE	64	01	01	06	UKC11	585,373.31
RCE	64	01	01	06	UKC12	462,420.08
RCE	64	01	01	06	UKC13	246,320.45
RCE	64	01	01	06	UKC14	1,010,120.85
RCE	64	01	01	06	UKC21	783,494.34
RCE	64	01	01	06	UKC22	1,677,316.63
RCE	64	01	01	06	UKC23	459,976.30
RCE	64	01	01	22	UKC11	4,594,703.24
RCE	64	01	01	22	UKC12	3,257,748.50
RCE	64	01	01	22	UKC13	1,733,222.29
RCE	64	01	01	22	UKC14	4,759,135.16
RCE	64	01	01	22	UKC21	3,856,979.71
RCE	64	01	01	22	UKC22	13,380,231.92
RCE	64	01	01	22	UKC23	3,667,400.26
RCE	68	01	01	22	UKC11	1,393,109.43
RCE	68	01	01	22	UKC12	1,100,497.34

Table 15

Objective	Priority Theme	Form of Finance	Territory	Economic Activity	Location	Allocated Community Contribution
RCE	68	01	01	22	UKC13	586,209.41
RCE	68	01	01	22	UKC14	2,403,951.21
RCE	68	01	01	22	UKC21	2,676,437.22
RCE	68	01	01	22	UKC22	3,991,787.10
RCE	68	01	01	22	UKC23	1,094,681.48
RCE	71	01	01	21	UKC22	679,564.58
RCE	71	01	01	21	UKC23	186,122.78
RCE	71	01	01	22	UKC11	3,477,008.84
RCE	71	01	01	22	UKC12	2,752,876.02
RCE	71	01	01	22	UKC13	1,461,793.38
RCE	71	01	01	22	UKC14	6,763,352.49
RCE	71	01	01	22	UKC21	3,009,831.57
RCE	71	01	01	22	UKC22	8,124,979.77
RCE	71	01	01	22	UKC23	2,225,811.21
RCE	74	01	01	22	UKC22	576,732.09
RCE	74	01	01	22	UKC23	157,958.47
RCE	85	01	01	17	UKC11	901,610.28
RCE	85	01	01	17	UKC12	712,774.63
RCE	85	01	01	17	UKC13	379,276.45
RCE	85	01	01	17	UKC14	1,216,553.15
RCE	85	01	01	17	UKC21	1,407,489.06
RCE	85	01	01	17	UKC22	2,099,182.48
RCE	85	01	01	17	UKC23	575,575.01
RCE	85	01	01	22	UKC11	2,415.26
RCE	85	01	01	22	UKC12	1,907.95
RCE	85	01	01	22	UKC13	1,016.32
RCE	85	01	01	22	UKC14	4,167.77
RCE	85	01	01	22	UKC21	3,232.71
RCE	85	01	01	22	UKC22	6,920.63
RCE	85	01	01	22	UKC23	1,897.87
TOTAL						373,534,286.80

ASSISTANCE BY TARGET GROUPS

Table 16 Investment in Innovation Connectors

DGC - Digital City

Project Reference Number	Project Name	Applicant	Project Status	ERDF Grant	Claims Paid
NE004516A	Institute of Digital Innovation (DigitalCity)	Teesside University	Contracted	£1,923,190	£1,881,567
NE005110	Redcar & Cleveland Creative Industries	Redcar & Cleveland Borough Council	Contracted	£4,014,795	£3,516,221
NE005311	DigitalCity Business 2010-12 Revenue	Middlesbrough Council	Contracted	£816,280	£797,471
NE005641	DigitalCity Innovation and Growth Programme	Teesside University	Contracted	£2,189,651	£968,192
NE005665	Digital City Stockton	Stockton on Tees Borough Council	Contracted	£512,503	£445,208
NE007020	Digital City - Garages to Global	Middlesbrough Council	Contracted	£1,074,000	£600,892
NE007036	DigitalCity: BOHO 5	Middlesbrough Council	Contracted	£1,940,366	£309,295
			Total	£12,470,785	£8,518,847

NAR - NAREC

Project Reference Number	Project Name	Applicant	Project Status	ERDF Grant	Claims Paid
NE004911A	Incubation & Inward Investment	The National Renewable Energy Centre	Contracted	£498,454	£385,233
NE005323	Business Support in Microrenewables	The National Renewable Energy Centre	Contracted	£456,248	£391,583
NE005387	NaREC Marine Testing Facility	The National Renewable Energy Centre	Contracted	£6,335,317	£5,867,737
NE005427	National Blade Test Facility	The National Renewable Energy Centre	Contracted	£4,686,130	£4,624,424
NE005543	Narec Social Housing Energy Management	The National Renewable Energy Centre	Contracted	£1,773,670	£1,596,435
NE007062	Renewable Energy Technology Accelerator (RETA)	The National Renewable Energy Centre	Contracted	£989,366	£595,573
			Total	£14,739,185	£13,460,985

NDC - Northern Design Centre

Project Reference Number	Project Name	Applicant	Project Status	ERDF Grant	Claims Paid
NE004222A	Design Centre for the North East - Premium Lease	Homes and Communities Agency	Contracted	£311,876	£302,108
NE004306A	Design Network North (former working title Design Knowledge Transfer Network)	Department for Business, Innovation & Skills	Contracted	£798,764	£855,178
NE005181	Mass Participation Project	Teesside University	Contracted	£514,981	£288,009
NE005320	Northern Design Centre & Creative Business Centre	Gateshead Council	Contracted	£4,503,697	£4,503,961
			Total	£6,129,318	£5,949,256

NSC - Newcastle Science City

Project Reference Number	Project Name	Applicant	Project Status	ERDF Grant	Claims Paid
NE005099	Translational Research Building	Newcastle University	Contracted	£1,869,056	£1,829,864
NE005100	Newcastle Innovation Machine (NIM)	Newcastle Science City Company Ltd (NSC)	Contracted	£2,287,075	£2,284,706
NE005104	Community Engagement	Newcastle City Council	Contracted	£774,481	£774,375
NE005577	The Core	Newcastle City Council	Contracted	£5,629,623	£4,620,994
NE005626	Postgraduates for Business Support	Newcastle University	Contracted	£48,159	£47,718
NE007008	NSCL - Enterprise to Business Hub (E2B)	Newcastle Science City Company Ltd (NSC)	Contracted	£465,001	£196,806
			Total	£11,073,394	£9,754,463

NTP - NETPark

Project Reference Number	Project Name	Applicant	Project Status	ERDF Grant	Claims Paid
NE004495A	NETpark Connector - Servicing Land	Durham County Council	Contracted	£175,838	£193,760
NE004715	PeTec Equipment (LACE)	Centre for Process Innovation (CPI)	Contracted	£2,008,693	£2,007,001
NE005092	NETPark Connector NETPark Net	Durham County Council	Contracted	£214,436	£214,816
NE005120	NETPark Connector - Large Grown On Space	Durham County Council	Contracted	£4,363,406	£4,362,323
NE005185	NETPark Connector - Embedding The Benefits in Disadvantaged Communities	Durham University	Contracted	£457,238	£408,180
NE005233A	PETEC Displays & Photonics Technologies Facility (PDPTF)	Centre for Process Innovation (CPI)	Contracted	£8,498,845	£8,498,845
			Total	£15,718,455	£15,684,925

SSC - Sunderland Software City

Project Reference Number	Project Name	Applicant	Project Status	ERDF Grant	Claims Paid
NE004801	Sunderland Software City - Enterprise	North East Business and Innovation Centre	Contracted	£768,947	£730,149
NE004802	Sunderland Software City - Education & Innovation Activity	University of Sunderland	Contracted	£628,250	£592,734
NE005178	Sunderland Software Centre	Sunderland City Council	Contracted	£4,459,631	£4,439,660
NE005633	Sunderland Software City Phase 2	Sunderland City Council	Contracted	£1,985,432	£1,089,697
			Total	£7,842,261	£6,852,240

WIL - Wilton

Project Reference Number	Project Name	Applicant	Project Status	ERDF Grant	Claims Paid
NE005093A	Wilton Connector - Process Business Incubator	Centre for Process Innovation (CPI)	Contracted	£1,311,815	£1,184,504
			Total	£1,311,815	£1,184,504

Grand Total	£69,285,213	£61,405,219
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Table 17 Cultivating Enterprise in Disadvantaged Areas

Previous annual reports have commented on the agreement reached with Partners regarding the methodology to be used in identifying those disadvantaged areas of the region where Operational Programme resources would be focused under Priority 2, FOA 2.1. The table below provides further detail of projects supported, where a regional project is identified, this reflects a regional delivery but continued prioritisation of disadvantaged areas as agreed with PMC/LMC.

Table 17

Project Reference Number	Applicant	Project Name	ERDF Grant Total	ERDF Grant Capital	ERDF Grant Revenue	Public Match	Private Match	Total Eligible Project Costs	Area
NE004180b	Princes Trust	Business Growth & Support for Enterprising Young People	£353,267	£0	£353,267	£232,438	£132,743	£718,448	North East Region
NE004718	Department for Business, Innovation & Skills	Flexible Families	£396,704	£0	£396,704	£396,703	£0	£793,407	North East Region
NE004809	Northumberland County Council	Berwick Incubator Development – Revenue	£145,236	£0	£145,236	£149,946	£0	£295,182	Northumberland
NE005034	Newcastle City Council	Newcastle Enterprise Package	£1,468,532	£0	£1,468,532	£1,470,744	£0	£2,939,277	Tyne & Wear
NE005034A	Newcastle City Council	Newcastle Enterprise Package Phase 2	£816,131	£0	£816,131	£816,133	£0	£1,632,265	Tyne & Wear
NE005036	North Tyneside Council	Raising Enterprise North Tyneside	£747,387	£0	£747,387	£747,387	£0	£1,494,774	Northumberland and Tyne & Wear
NE005036A	North Tyneside Council	Raising Enterprise North Tyneside (Extension)	£1,118,451	£0	£1,118,451	£1,118,452	£0	£2,236,903	Northumberland and Tyne & Wear
NE005042	Durham County Council	Be Enterprising	£3,793,271	£0	£3,793,271	£3,956,639	£0	£7,749,910	Durham
NE005043	Tees Valley Unlimited	TV Integrated Business Support Activity	£3,160,625	£0	£3,160,625	£3,551,820	£0	£6,712,445	Tees Valley
NE005045	Gateshead Council	Inspire Gateshead	£486,536	£0	£486,536	£495,118	£0	£981,654	Tyne & Wear
NE005072	SES	Social and Traditional Enterprise	£871,535	£641,052	£230,483	£54,275	£883,362	£1,809,173	Tyne & Wear
NE005094	Northumberland Business Service Limited (NBSL)	Enterprise Bridge Programme – Northumberland	£715,213	£0	£715,213	£715,215	£0	£1,430,428	Northumberland
NE005128	Tarka	TARKA	£280,000	£0	£280,000	£0	£280,000	£560,000	Durham
NE005286	South Tyneside Metropolitan Borough Council	Enterprise Coaching in South Tyneside	£742,750	£0	£742,750	£742,750	£0	£1,485,500	Tyne & Wear
NE005294	Sunderland City Council	Enterprise Coaching in Sunderland	£889,750	£0	£889,750	£889,750	£0	£1,779,500	Tyne & Wear
NE005403	Centre West Partnership	The Beacon	£2,406,970	£2,406,970	£0	£2,581,795	£0	£4,988,765	Tyne & Wear
NE005458	Princes Trust	Enterprise Coaching - Princes Trust	£907,948	£0	£907,948	£9,080	£898,869	£1,815,897	North East Region

Table 17

Project Reference Number	Applicant	Project Name	ERDF Grant Total	ERDF Grant Capital	ERDF Grant Revenue	Public Match	Private Match	Total Eligible Project Costs	Area
NE005459	Redcar & Cleveland Borough Council	Redcar & Darlington Enterprise Coaching	£1,706,707	£0	£1,706,707	£1,706,707	£0	£3,413,414	Tees Valley
NE005463	Sunderland City Council	Washington Business Centre	£3,416,609	£3,046,456	£370,153	£3,416,610	£0	£6,833,219	Tyne & Wear
NE005466	Northern Pinetree Trust	Enterprise Coaching for people with a disability	£764,780	£0	£764,780	£49,864	£714,916	£1,529,560	North East Region
NE005625	North East Enterprise Agency Ltd	Business Support in the North East	£1,688,823	£0	£1,688,823	£1,688,823	£0	£3,377,646	North East Region
NE005646	North East Theatre Trust Limited	Live Theatre – The Schoolhouse	£459,407	£459,407	£0	£459,406	£0	£918,813	Tyne & Wear
NE005653	SES	Community Enterprise Coaching for Under-represented Groups	£540,434	£0	£540,434	£540,437	£0	£1,080,872	Tyne & Wear
NE005662	Durham County Council	Developing Creative Industries in County Durham	£165,000	£0	£165,000	£165,000	£0	£330,000	Durham
NE007009	East Durham Business Service Ltd	Novus II Business Centre	£440,612	£269,479	£171,133	£208,851	£231,765	£881,228	Durham
NE007064	University of Sunderland	The Enterprise Place	£354,297	£0	£354,297	£354,297		£708,594	North East Region
NE007108	Hartlepool Borough Council	Hartlepool Enterprise Growth Hub	£403,130	£0	£403,130	£235,428	£167,702	£806,259	Hartlepool and Stockton on Tees
TOTALS			£29,240,105	£6,823,364	£22,416,741	£26,753,669	£3,309,357	£59,303,131	

2.1.1 Use of ESF resources for European Social Fund (ESF) type activity

In previous annual implementation reports up to 2010 partners described the actions taken in seeking to implement the proposed flexibility identified under Article 34 of the EC Regulation 1083/2006 with regards to the scope for cross financing between ERDF and ESF type activity. In line with the Operational Programme and the agreement reached with the EU Commission in 2009 on the scope of ESF type activity permissible, two projects originally sought to use the proposed flexibility to support the facilitation of community engagement within Newcastle Science City and the NetPark Innovation Connector packages of investment.

However, by 2011 and despite detailed negotiations with the EU Commission, DWP and DCLG managing authorities, it did not prove possible to establish clarity or clear guidance on practicalities associated with regards to the implementation of Article 34 in terms of eligibility, monitoring and reporting requirements that would be sufficient to warrant the use of this flexibility up to the 10% thresholds originally anticipated.

As such the risks to compliance remained unacceptably high in the view of Partners and the decision was taken from 2011 onwards to forego the proposed flexibility as part of the programme modification proposal, as a consequence no ESF type expenditure is included in the 2014 report.

2.1.2 Assistance Repaid or Reused

As at the end of December 2014, a total of 273 irregularities had been concluded totalling £3,705,917 (€4,322,461) of ERDF grant. A further 73 corrections (i.e. mistakes identified by the project and corrected before detection) totalling £1,661,232 (€1,988,439) were successfully resolved.

All concluded irregularities are returned to the programme for re-use within the Priority from which they came. The ongoing pro-active approach adopted by the DCLG ERDF Growth Delivery Team to the conclusion and recovery of irregular expenditure will help to mitigate level of liabilities at programme closure.

Qualitative Analysis

2.1.3 Promotion of Equal Opportunities

Previous Annual Implementation Reports have described the steps taken to implement Partners' commitment to taking forward the three cross cutting themes (CCTs) described in Chapter 5 of the Operational Programme at both pre-contract (development and appraisal) and post contract implementation stage.

In relation to Equal Opportunities, for example, projects are required to quantify, monitor and report outputs and results achieved (broken down by the cross cutting theme indicators), and where relevant this will include performance against:

- Number of new SMEs assisted (of which run by women or other under-represented groups)
- No of gross jobs created i) men, ii) women, iii) in disadvantaged areas

- No of jobs safeguarded i) men, ii) women, iii) in disadvantaged areas
- No of businesses created (of which run by women or other under-represented groups)

Consideration of and guidance aimed at supporting individual applicants' ability to demonstrate how equality of opportunities are addressed and embedded in project implementation forms part of Project Engagement Visit (PEV) and Article 13 Project Assurance Visit (PAV) monitoring activity.

2.1.4 Partnership arrangements

In line with Article 11 of EC regulation No. 1083/2006 the Partnership principle remains at the core of the strategic management and implementation of the North East ERDF Competitiveness Operational Programme. The strength of the North East partnership was highlighted in the findings of the Mid Term Evaluation which described programme management arrangements as 'robust, open and transparent'.

Over 2014 the Partnership principle has continued to inform delivery and Partners continue to be directly involved in the strategic and day to day management of programme implementation through their roles within the Local Management Committee and the Programme Executive Group (PEG) overseeing and agreeing the ongoing strategic direction of the programme.

LMC and PEG partners continue to monitor the performance of the Programme and are pro-active in considering programme implementation and risk, considering and advising on mitigation of performance challenges and delivery/compliance risks.

Tables 18 and 19 illustrate the scope of discussions and decisions taken by Partners over the course of 2014.

Table 18 LMC key Agenda items and discussions held 2014

Local Management Committee Meeting 06 June 2014 (Virtual Meeting)
<p>Papers circulated:</p> <ul style="list-style-type: none"> • 2013 Annual Implementation Report (Draft) • 2013 Annual Implementation Report Cover • Annex 1 - Overview of Programme Performance • Annex 2 - Detailed Performance Update • Annex 3 - Programme Risk Register • Annex 4 - ERDF Communications Plan 2014 • Programme Implementation Progress Report <p>The 2013 Annual Implementation Report was endorsed - by correspondence</p>

Local Management Committee Meeting 10 October 2014 (Virtual Meeting)
<p>Papers circulated:</p> <ul style="list-style-type: none"> • Annex 1 - Overview of Programme Performance (Dashboard) • Annex 2 - FEI Performance Update • Annex 3 - North East Programme Risk Register • LMC Programme Implementation Progress Report (October 2014)

Table 19 Programme Executive Group key Agenda items and discussions held 2014

<p>Programme Executive Group Meeting 04 April 2014</p> <p>PART ONE: 2007-2013 PROGRAMME Programme Implementation Progress Update (Dashboard Overview) <u>For Information</u></p> <ul style="list-style-type: none"> • 2014 and 2015 spend targets • Commitments levels • Financial Instruments (FIs) preparatory work <p>PART TWO: EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014-2020</p> <ul style="list-style-type: none"> • Presentation:2014-20 Business Process Walkthrough (High level Process Diagram) • Update on development of UK Partnership Agreement (PA); England ERDF and ESF Operational Programmes and progress on ESIFS (Verbal)
<p>Programme Executive Group Meeting 01 July 2014</p> <p>PART ONE: 2007-2013 PROGRAMME Programme Implementation Progress Update</p> <p>Project Selection Outline Application Stage <u>For Decision</u></p> <ul style="list-style-type: none"> • Medical Sector Development Programme • North East Automotive Alliance <p>PART TWO: EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014-2020</p> <ul style="list-style-type: none"> • Update/Feedback from England Growth Board Meeting 25 June 2014 (Verbal Update) • Update on negotiations with the European Commission and development of the England ERDF and ESF Operational Programmes (Verbal update)
<p>Programme Executive Group Meeting 07 October 2014</p> <p>PART ONE: 2007-2013 PROGRAMME Programme Implementation Progress Update (Dashboard Overview) <u>For Information</u></p> <ul style="list-style-type: none"> • 2014 and 2015 spend targets • Commitments levels <p>PART TWO: EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014-2020</p> <ul style="list-style-type: none"> • Update on negotiations with the European Commission on the UK Partnership Agreement and the England Operational Programmes (verbal update) <p>AOB</p> <ul style="list-style-type: none"> • Brief overview of the Port of Sunderland project originally selected into the programme in 2013. Appraisal is almost complete and intention is to seek PEG virtual endorsement of the full application towards w/e 10/10/2014.

Programme Executive Group Meeting 02 December 2014

PART ONE: 2007-2013 PROGRAMME

Programme Implementation Progress Update (Dashboard Overview)
For Information

Project Selection Outline Application Stage
For Decision

- Centre for Innovation Formulation – initial Outreach programme
- Industrial and office Units – Crowther Industrial Estate
- Sunderland Centre for Enterprise and Innovation Phase 1

Project Endorsement Full Application Stage
For Decision

- Health Network North
- North East Automotive Alliance

PART TWO: EUROPEAN STRUCTURAL AND INVESTMENT FUNDS 2014-2020

- Update on negotiations with the European Commission on the UK Partnership Agreement and the England Operational Programmes (verbal update)

AOB

Provisional 2015 Meeting Dates

- Tuesday 10 March
- Tuesday 2 June (LMC 12 June)
- Tuesday 15 September
- Tuesday 24 November (LMC 4 December)

LMC and PEG continued to monitor and review the delivery of the Technical Assistance Strategy via the detailed Programme Progress Implementation Report issued in June and October 2014.

During 2014 PEG endorsed the launch of four open calls to identify projects for the reserve list, able to absorb potential funds recycled back into the Programme. These are highlighted in Table 20 below

Table 20

	Priority	Number of Outline Applications received	Value of Outline Applications received	Number of Outline Applications selected	Value of Outline Applications selected ERDF £ (€)	% selected
P1 Capital and Revenue Call - July 2014 (Reserve Projects)	1	5	£2,216,825	4	£2,117,275	96%
			€2,550,925		€2,436,372	
P2 Capital and Revenue Call - July 2014 (Reserve Projects)	2	4	£3,124,216	3	£2,876,272	92%
			€3,595,070		€3,309,758	

Further detail of activity is provided in relevant later sections of this report.

2.2 Compliance with Community Law

Over the course of 2014 DCLG has continued to work pro-actively with partners to ensure full compliance with Community law, addressing implementation issues that arise in the course of delivery, through emerging guidance or as a result of audits.

In order to mitigate risk of non compliance the DCLG has continued to review, clarify and update guidance to applicants on eligibility issues, with a particular focus on State Aid and procurement.

Other measures have included:

- Use of the Practitioner Network to strengthen partner understanding of compliance risks through targeted communications.
- Building DCLG Growth Delivery team capability through mandatory training in procurement issues and through strengthening of assessment of procurement via pre-contract appraisal processes and post contract claims and performance monitoring systems, including strengthened Article 13 with increased focus upon procurement compliance. Continued support by the DCLG Growth Delivery Team's procurement champion, working closely with national procurement workstream to ensure clarity, consistency and understanding with regards to procurement rules and ensuring that relevant guidance and instructions are available to staff and practitioners.
- The standardised business process has continued to enable early identification of potentially high risk projects ensuring that enhanced support, monitoring and management arrangements are established to mitigate potential risk.

2.3 Significant Problems Encountered and Measures Taken to Overcome Them

Following the lifting of the interruption to payments in late 2013, during 2014 DCLG actioned a number of pieces of work it committed to undertake to ensure that the EC remained content with the management and control system. The National DCLG Compliance team completed more than 380 visits nationally to ensure that 15% of all expenditure claimed in 2014 had been verified and, additionally, a programme of work to check all procurement over OJEU and works contracts over £1m, which had not already been tested by the Article 16 team was agreed.

In the North East a total of 55 contracts were tested by nationally procured specialists (in our case the legal firm Maclay Murray and Spens). Findings from this testing have been implemented and feedback on matters arising provided to grant recipients via letter and through bulletins circulated to the North East ERDF Practitioner Network. Common issues identified are broadly consistent with those found via Article 13 and Article 16 audits and include:

Common Issues Found to Date:

- Selection criteria not being properly scored by the evaluation panels;
- Scoring sheets not signed by those undertaking the evaluation;
- Questions being disproportionate and substantially irrelevant – information not relating to the measures necessary for the delivery of the contract;
- The method for assessing tenders e.g. price and quality not being notified to bidders before submission or following receipt of tenders methodology is changed;
- Debrief/Standstill letters – letters not containing sufficient detail ;

- Timing - care not taken when counting the number of days for which contract notices are advertised;
- Procurement files - not audit ready, documentation missing from files in particular those documents which have been stored on electronic tendering systems

In the North East there are no outstanding irregularities or systemic issues requiring further attention.

As previously reported additional compliance and audit related work has considerable impact on local and national resources and resilience, requiring a high degree of flexibility and very effective team working and collaboration across the MA ERDF network to maintain the delivery of normal business and priorities whilst managing the very critical work of additional compliance checks.

It demonstrate DCLG's commitment to the ongoing strengthening and improvement of the standardised process and reflects the effectiveness of DCLG in its role as MA, as well as the high levels of professionalism and dedication of the MA staff locally and nationally in ensuring that ERDF is managed to the highest of standards.

2.4 Changes in the Context of the Operational Programme Implementation

National Economic Context

The UK economy grew by 2.6 per cent in 2014. This was the fastest growth since 2007, prior to the financial crisis when the UK experienced one of the deepest recession of any major economy, contracting 7.2 per cent in real terms between the first quarter of 2008 and the third quarter of 2009.

The 2.6 per cent growth was in line with revised forecasts from the Office of Budget Responsibility. The economy grew by 0.6 per cent in the first quarter accelerating to 0.8 per cent in the second quarter, 0.7 per cent in the third quarter, and 0.5 per cent in the last quarter. Gross Domestic Product has now exceeded the peak it reached before the recession in 2014.

Growth in 2014 continued to be led by household spending, supported by strengthening investment in the public and private sectors. Retail sales grew by 6.4% to December 2014. However, whilst now growing, production and construction industries remain below pre-downturn levels.

The labour market continued to strengthen in 2014. UK employment figures saw quarter on quarter growth and falling unemployment in 2014. By the end of the year employment rate had risen to 73.3 per cent and the unemployment rate had fallen to 5.7 per cent. However, the performance of the labour market continues to vary across the UK, with some groups at a particular disadvantage including, young people, disabled people, people from some ethnic minorities and older people. Nevertheless, the unemployment rate for those out of work for less than 6 months is now at pre-downturn levels.

Earning growth is now showing more consistent growth. Regular pay, excluding bonuses grew by 1.6 per cent between December 2013 and December 2014 outstripping the rate of inflation of 0.5 per cent (Consumer Prices Index) over the same time period. Productivity remains sluggish and

the UK has fallen marginally further behind the G7 average (which is now 117% of the UK figure, compared with 116% a year ago). Output per hour was 0.27 per cent higher in the third quarter of 2014.

Productivity growth has significant implications for the long term growth performance of the economy. Increases in UK productivity will be required to support the momentum gained in the economy in 2014.

Local Economic Context

The programme area as a whole continues to face difficult economic conditions. However, ERDF investment has contributed directly to support the North East's return to economic growth and improved performance in recent years against a number of growth and jobs indicators. For example, recent Office for National Statistics (ONS) regional data (April 2014) show that over the course of 2014:

- The North East region's employment rate at 70% represented a record high for the programme area.
- That the employment rate increase of 1.6% in 2014 is only slightly behind the top performing regions of South West (2.2%) and London (1.7%).
- In terms of unemployment the North East rate remains slightly above the UK average at 7.7%, but in the three months to October 2014, the North East experienced the largest decrease in unemployment amongst all UK regions (0.7%).
- ERDF support for entrepreneurship, physical development, access to finance and business support initiatives has also helped create 14,746 gross new jobs and safeguard 14,629 jobs.
- ONS figures also show that between 2009-2012 the North East percentage change in nominal GVA increased by 7.7%, putting the programme area in the top 5 best performing regions.

The programme area has continued to benefit from high levels of business birth rates (14.7%) with performance for the North East marginally higher than UK levels (14.1%). ERDF has contributed to this through support provided for over 5000 new SMEs. Despite the ongoing socio-economic challenges faced by partners the latest economic data does nevertheless highlight some underlying positive trends with ERDF contributing directly to key Government Growth initiatives.

For example, the development of Enterprise Zones (EZ) sites has helped create over 1,200 jobs supporting the growth of key sectors including offshore, renewable and automotive (ERDF investment has contributed to a number of key EZ sites, including i.e. Low Carbon Vehicle Zone, Port of Blyth, Port of Tyne & North of Tyne).

The programme area remains one of the leading exporting areas in the UK, recent data indicating it was the only area in England to achieve a positive balance of trade. There are now over 4,000 businesses and although the total number of businesses has fallen from the peak of 2008, the trend shows that there is a growing business base with ERDF support assisting some 18,453 existing and new SMEs.

With regards to the commercial exploitation of innovation and research and development in priority sectors key metrics show that whilst the North East is slightly below average nationally and internationally, the area is developing significant potential through the development of a range of world class innovation assets focused upon the high value added manufacturing and service sectors where ERDF has contributed to the provision of leading edge research and commercialisation hubs linked to the Innovation Connectors identified in the Operational Programme. The Innovation Connectors reflect key economic sectors in the North East Programme area and ERDF has supported investment in:

- Digital City;
- Offshore Renewables and Energy Catapult (NAREC);
- Northern Design Centre;
- Newcastle Science City (life sciences);
- NETpark;
- Sunderland Software City;
- Wilton (process industries).

The strategy set out in the Operational Programme, is considered by partners to remain relevant and appropriate to the needs of local partners and the economic priorities of the two Local Enterprise Partnerships⁴ (LEPs) in the programme area and has helped inform preparations for the 2014-20 ERDF Operational Programme for England. Partners retain a key focus on the promotion of structural change within the wider economy and increased jobs and gva growth.

Local Enterprise Partnerships (LEPs)

The role of the LEPs has continued to consolidate during 2014 with increased capacity to lead the economic development of their respective functional economic geographies, through greater flexibilities, freedom and influence over resources from Government.

The economic development and growth opportunities identified by the individual LEPs and partners within the programme area continue to reflect the wider strategic objectives of the North East ERDF Competitiveness Programme and its focus upon affecting structural change within the wider North East region through promotion of higher gross value added sectors, innovation, business growth and enterprise.

The LEPs have continued to play an active role in both the governance arrangements and strategic direction of the programme alongside other partners to ensure that the strategic focus of the programme for the final two years of delivery continues to be both relevant and closely aligned to the new institutional and delivery architecture through wider local partner engagement in monitoring delivery and evaluating outcomes and impacts.

A number of national initiatives to stimulate local economic growth provide the context and potential match funding opportunities for ERDF investment. Key initiatives are outlined below.

⁴ NB that the North Eastern and Tees Valley LEP areas are consistent with the Programme area.

Growth Deals, Local Growth Fund and Growth Hubs

As part of the Government's response to Lord Heseltine's Review published in October 2012 and its drive to devolve resources and responsibility for economic growth to local partners, Growth Deals were launched in 2013, building on the success of City Deals which were launched in 2012. Through Growth Deals Local Enterprise Partnerships would have greater influence, freedoms and flexibility over Government resources, including a share of the newly established Local Growth Fund worth £2bn per annum for a five year period starting from 2016/17 to target identified growth priorities. Some of the funding provides a valuable source of match to maximise ERDF investment.

The first wave of Growth Deals was announced in July 2014 with £6bn investment providing funds for LEPs to promote local economies. Through these deals the two North East LEPs secured c£500m. As part of Growth Deals the government is promoting and facilitating the development of Growth Hubs, locally-led partnerships that co-ordinate business, innovation and trade support within a LEP area and make it simple for businesses to access the support they need.

Regional Growth Fund

The Regional Growth Fund (RGF) established in 2011 continues to provide significant public funding to create jobs and private sector investment. Currently the Fund is worth £3.2bn billion (€3.1bn) across England, covering the period from 2011 to 2017. It supports projects and programmes that lever private sector investment to create economic growth and sustainable employment, specifically targeted at driving employment and growth in those areas of the economy hardest hit by the loss of public sector jobs.

More than 80 projects have been supported in the North East to date, creating over 13,000 jobs and leveraging c£710m of private sector investment. These achievements complement and add to the investment and results generated through ERDF funding.

Growing Places Fund

The Growing Places Fund announced in 2011, and administered jointly by the Department for Communities and Local Government and the Department for Transport, reached a total of £730m in 2013 (€321m). The Growing Places Fund is allocated between Local Enterprise Partnerships on a formula basis, and is primarily to be used for infrastructure projects to promote the delivery of jobs and housing, to deliver the Local Enterprise Partnerships' local strategies, and to establish revolving funds so that funding can be reinvested and leverage in private investment.

As of June 2014 over 300 projects have been supported nationally, helping to create jobs and businesses, unlocking £2.8bn of extra investment, of which £1.8bn from the private sector.

Enterprise Zones

Enterprise Zones first established in 2012 are a key component of local growth, designed to encourage the creation of new businesses and jobs, where a combination of financial incentives and reduced planning restrictions will apply, thereby promoting local and national growth. They are managed by Local Enterprise Partnerships. The government has created 24 Enterprise Zones of which 2 are in the North East/Tees Valley LEP areas.

The North East ERDF Competitiveness Programme 2007-13 is making a significant contribution to the development of Enterprise Zones, alongside RGF and GPF investments, across the Programme area. ERDF investment in Enterprise Zones has resulted in nearly £30m being allocated for the development of these sites. As well as delivering significant returns in terms of land remediated and business space created during the lifetime of the Programme, the investment will result in longer term benefits and impacts stimulating inward and indigenous investment and supporting the creation of new high value, manufacturing and technology based jobs.

City Deals

As a part of City Deals, the Government has devolved new responsibilities to the core cities of Britain to give them the flexibility to attract private investment, close skills gaps and create new jobs. The revenue raised from business rate growth could potentially be used as match funding for ERDF projects in the LEP areas going forward particularly during the 2014-20 Competitiveness Programme. In addition, the significant levels of funding in infrastructure will also potentially unlock areas for economic development creating the potential for future ERDF projects in the next programme period.

2.5 Substantial Modification under Article 57 of EC No 1083/2006

In 2014 there were no substantial modifications under Article 57 of EC No 1083/2006.

2.6 Complementarity with other Instruments

As part of the negotiation and approval of the North East ERDF Competitiveness Operational Programme, agreement was reached on demarcation between different funds, in particular between ERDF, ESF and EAFRD. This is set out in Chapter 6 (Coordination between Funds) of the Operational Programme document (a demarcation table is included in the OP on pages 104-105).

From the establishment of the ERDF PMC in 2008 the TUC representative and the RDA Head of Skills and Europe enjoyed dual membership of the ERDF PMC and the ESF North East Regional Committee. Both members were mandated by their respective committees to ensure direct representation and linkages between the regional employment and competitiveness programmes in order to monitor agreed demarcation between funds and to avoid duplication. However, since the abolition of the ESF regional Committee (and the RDA) from mid 2010 direct representation and liaison has not been possible, although partners continue to adhere to the demarcation and focus agreed at the outset of the programme.

Partners have continued to work with the Head of the EAFRD North East Programme Team following the transfer of the Rural Programme team from the RDA to Defra. An EAFRD rural programme representative continues to be a member of the LMC as an observer and the ERDF Growth Delivery Team is represented on the EAFRD regional programme committee, again to ensure coordination and demarcation between the respective funds along the lines agreed in the OP document.

2.7 Monitoring Arrangements

Monitoring arrangements provide a robust framework of management and control systems in support of the compliant delivery of the programme. All projects in receipt of ERDF funding are subject to audit and verification checks from the date of project approval until programme closure, typically these will be in the form of A16 and A13 visits but may extend to audits from the European Court of Auditors or provision of expenditure and defrayal information to the Programme ERDF Growth Delivery Team as part of the Annual Review conducted by the Certifying Authority. These visits are supplemented by scrutiny of defrayal via desk based checks, undertaken on at least 10% of the value of every claim submitted.

The Project and Verification Visit (PAV) is generally referred to as the Article 13 (A13) visit, however, the specific A13 EC regulation requires a number of functions be delivered including:-

- the Project Engagement Visit;
- scrutiny of claims prior to payment; and,
- the Project Verification Visit.

All projects receive a Project Engagement Visit (PEV) in line with national work instructions. The purpose of the visit is to ensure that the Grant Recipient has access to the necessary advice and guidance to facilitate the compliant delivery of their ERDF funded project. The outcome of the visit must satisfy DCLG that the project delivery team has the necessary systems and ability to fulfil the ERDF project management and monitoring requirements. The information gathered is used to inform DCLG risk rating of the project.

At the PEV the project will be given an insight into the types of evidence and information they will need to provide at future monitoring and audit visits. It is made clear that it is the Grant Recipient's responsibility to ensure there is a complete audit trail providing a full and detailed history of the project's activities, deliverables and expenditure.

By 31 December 2014 164 PEVs had been undertaken, with 13 PEVs having been undertaken during 2014, of which 10 had reports signed and uploaded on MCIS.

During 2014 a major revision was made to the Article 13 process which took into account the concerns that DG Regio had raised through their programme audits.

The delivery of Article 13 (2) on the spot verifications (PAVs) was separated from the ERDF Growth Delivery Teams and a new National ESIF Compliance team was formed. This team operates independently from the Growth Delivery Teams and is managed by an independent Head of Team. A major revision was also made to the method for selecting projects chosen for testing. Following agreement with DG Regio, a new process was put into place which chooses undeclared claims to test using a random statistical sampling process. The randomized nature of this approach provides greater levels of assurance for the total population of the projects.

The new processes and team became operational in February 2014 but there were early indications that the demand for visits would peak in the second half of the year and so the team was strengthened with temporary contractors for the final quarter of the year to ensure that the new programme of visits was completed before the final declaration was made at the year end.

It was recognised that, whilst in general the programmes did not display systemic errors, procurement issues had been identified in all programmes. To address this, the MA recruited several teams of Legal Procurement Experts to test all procurements above the OJEU threshold, or over £1,000,000 in value. This specialist testing work commenced in the autumn and was largely completed by the end of April 15 with the residual checks to be finished in June 2015. This programme of verifications has been designed to ensure that any significant procurement errors will have been removed from the programme prior to programme closure.

In the North East Programme, the National ESIF Compliance Team undertook 50 visits (no FEI PAVs were included in 2014). Expenditure totalling £13,470,342 was tested covering claims to the value of £15,899,944, representing 23.8% of expenditure claimed, and an at risk error rate of 2.8% was identified. Subsequent investigation by the Growth Delivery Team may have reduced this rate. In addition a visit took place to each live FEI within the region.

In addition to the PEV and PAV, all projects are subject to certification checks through payment and claims verification. Checks are carried out on all claims to ensure:

- Alignment with the Funding Agreement,
- Financial progress and eligibility of expenditure;
- Procurement/ tendering declaration supplied;
- Project performance in respect to spend and outputs;
- Identification of errors or potential irregularities prior to claims being paid.

Where there are recurring issues/errors identified, DCLG claims checking and PEV processes are modified to improve scrutiny of the highlighted areas. These minor modifications are part of the continuous improvement of PEV & PAV processes, thereby ensuring awareness of both DCLG staff and Grant Recipients.

Recurring issues are highlighted in claims and audit and verification training sessions, as well as being addressed during claims checking and project monitoring processes.

In 2014 four training workshops focussed on claims processes were held, providing guidance and advice on claims preparations, highlighting the importance of robust evidence and audit trail requirements to practitioners.

Lessons learned were highlighted via ERDF bulletins circulated to the ERDF Practitioner Network and wider stakeholders.

AUDITS OF OPERATIONS (ARTICLE 16)

Audits of Operations are undertaken by the Audit Authority in accordance with its audit strategy and sampling method. The Authority currently draw its audit sample over two periods (every six months), grouping all operational programmes together. The Audit Authority informs the Managing Authority, the delivery network, and the intermediary body of the sample selected and liaises with grant recipients directly to arrange the visit and ask for preliminary information. A draft report is issued to the ERDF Growth Delivery Team, who in turn share it with the grant recipient. The ERDF

Growth Delivery Team has 20 working days to work with the grant recipient to respond formally to each of the findings. Once the responses have been accepted by the auditors, the final report is issued and an action plan is drafted with allotted responsibilities and timescales for completion.

Issues arising from Article 16 include:

- Failure to retain and demonstrate adequate output evidence, particularly result R09 – improved performance- setting the baseline
- Failure to provide original invoices/documentation on the day of visit
- The lack of an audit trail to account for expenditure incurred;
- Ineligible activities, not included in the National Eligibility Rules;
- Procurement issues: inadequate advertising; incorrect uses of framework agreements; lack of documentary evidence of selection process;
- Ineligible expenditure, such as the use of notional costs;
- Incorrectly calculated overheads and apportioned costs;
- Failure to comply with publicity requirements

In response to procurement issues raised in findings from Article 16 audits of operations, the ERDF Growth Delivery Team has increased communication and engagement with projects on compliance with this regulatory control. This is also the case in respect of Article 13 management verifications.

The key principles of the programme monitoring strategy continued to be adhered to without dilution, as the ERDF Growth Delivery Team focused on achieving the N+2 target for N+2 2014.

A total of 18 Article 16 visits were carried out in 2014 to the following projects.

Table 21

AA Ref	MCIS Project Ref	Project Applicant	Project Name
AA/NE01/13	NE004863	North East Finance (Holdco)	North East JEREMIE Programme
AA/NE02/13	NE004863C	North East Finance (Holdco)	Jeremie Product Fund Management
AA/NE10/13	NE005646	North East Theatre Trust Ltd	Live Theatre: The Schoolhouse
AA/NE11/13	NE007095	Hellens Investment (Washington) LLP	West Chirton Starter Units
AA/NE12/13	NE007009	East Durham Business Service	Novus II Business Centre

Table 21

AA Ref	MCIS Project Ref	Project Applicant	Project Name
AA/NE/13/13	NE004718	Department for Business, Innovation & Skills	Flexible Families
AA/NE/14/13	NE005024	Business & Enterprise North East	Enhancing International Trade
AA/NE15/13	NE005034	Newcastle City Council	Newcastle Enterprise Package
AA/NE16/13	NE005165	Newcastle University	CHP, Trigenation and Energy Storage Centre for Innovation and Business Development
AA/NE18/13	NE005403	Centre West Partnership	The Beacon
AA/NE18/13	NE005543	New and Renewable Energy Centre	Narec Social Housing Energy Management
AA/NE19/13	NE005633	Sunderland City Council	Sunderland Software City Phase 2
AA/NE20/13	NE005644	RTC North Limited	The Innovation Pathway North East
AA/NE21/13	NE005648	Northumberland Business Service Limited (NBSL)	Increasing Private Sector Business Growth in the North East Economy
AA/NE22/13	NE005657	Business & Enterprise Commercial	Investment for Growth
AA/NE23/13	NE005660	Redcar & Cleveland Borough Council	Redcar Business Space
AA/NE24/13	NE007017	North East Process Industry Cluster (NEPIC)	Delivering Energy Efficient Low Carbon Sustainable Industry (DEELOCSI)

Table 21

AA Ref	MCIS Project Ref	Project Applicant	Project Name
AA/NE25/13	NE007060	Northumberland Business Service Limited (NBSL)	Stimulating Business Growth in the North East
AA/NE26/13	NE007096	Hellens Investment (Washington) LLP	Teal Farm Park Phase II

Evaluation Activity

The evaluation strategy agreed with PMC/LMC partners at the outset of programme implementation has been described in previous annual implementation reports and consists primarily of proposed programme of evaluation activity focused upon:

- Individual project evaluation (incorporated into project appraisal and approval processes as a requirement of the funding agreement);
- Mid Term Evaluation;
- Interim programme level evaluations of identified thematic and cross cutting priorities;
- Ex-post evaluation.

Individual project evaluation activity remains robust with each project expected to complete an evaluation before closure is agreed.

The Mid Term evaluation of the programme was completed in early 2011 and its findings were reported as part of the annual implementation report for 2011.

The final report and associated findings of a mid-term review of the three English Northern JEREMIE projects were published in October 2013. Highlights of the key findings were reported in the 2013 annual implementation report.

Work on an internally conducted interim evaluation of the Innovation Connectors programme gathered pace in the autumn of 2014, building on previous evaluation activity undertaken by individual connectors and projects within connectors. The purpose of the evaluation is to undertake an analysis of the performance of the connectors, helping to identify relevant evidence and drawing some initial findings ahead of the closure process for the 2007-13 Programme. The areas of investigation to be covered include:

- Extent to which the Connectors have met and contributed to the targets of the North East Competitiveness and Employment ERDF Programme;
- What wider economic benefits and impacts have the Connectors had on the North East economy;
- What broader lessons can be learned from the Connectors Programme.

The evaluation is expected to be completed during 2015. Findings will help inform some of the performance evidence to be provided as part of the closure report to the European Commission in March 2017.

Data Collection

For the 2014 AIR all financial and indicator data is sourced from:

- MCIS via Cognos, the associated reporting tool.
- A standalone ERDF MI database which captures data not currently held by MCIS e.g. project pre-approval status and milestones.

Data processed in line with Commission Regulation (EC) No 1828/2006 Annex XVIII.

3. IMPLEMENTATION PROGRESS BY PRIORITY

As described earlier the socio-economic conditions under which the programme is operating remain challenging. However, with the maturing of the Local Enterprise Partnerships alongside existing local partners and the successful embedding of DCLG Managing Authority standardised models and processes, the institutional and delivery challenges facing partners in 2014, whilst still significant, can be considered to be less acute than those reported in recent AIRs.

The considerable efforts undertaken by both local partners and national government over the course of 2014 have helped to overcome some of the more difficult challenges faced by partners in implementing the programme.

The following issues represent some of the key priorities and challenges in terms of implementation which partners continue to focus upon at LMC and PEG, for example:

- Financial performance is robust with Programme resource committed and contingency identified to manage the risk of attrition and absorb funds recycled back into the Programme. This requires careful and pro-active management of all contracted projects to identify potential slippage at the earliest opportunity and instigate measure to bring projects back on track. The Growth Delivery team continued to work pro-actively to identify further demand for resources, largely through contract increases to maintain 100% commitment, including the extension of contract delivery to September 2015, carefully balanced against the risks of challenging closure timescales.
- Performance in terms of contracted outputs and result across both Priorities remains broadly satisfactory and consistent with the level of ERDF resource contracted, however, the translation of contracted outputs and results indicators into 'actual' is variable and will remain a critical focus for partners going forward to 2015. In both priorities in areas where there is actual or risk of underperformance this can be explained by a number of factors including for example, overdue claims, incorrect profiling and/or actual underachievement. At LMC and PEG and through pro-active information and publicity information the ERDF Growth Delivery Team and partners continue to emphasise the importance of timely and accurate claims to ensure output/result information are as up to date as possible so that lags in data are minimised and MCIS profiling is accurate, in addition partners continue to

scrutinise performance through established claims, monitoring and governance reporting processes.

The ERDF Growth Delivery Team continues to work closely with Partners through the LMC and the PEG to:

- Monitor progress of outputs/results (i.e. actual performance) against profiled targets to proactively manage the risk of underperformance and mitigate risk of underachievement;
- Report on performance and compliance issues to LMC and PEG, recommending appropriate action (including potential de-commitment where appropriate) and ensuring that wherever possible any recycled funds are promptly reallocated;
- Support effective implementation through post contract monitoring and assurance but also through advice and guidance delivered directly to applicants and via stakeholder and practitioner network activities;
- Support the development of project recovery plans to help bring individual project performance back on track;
- Provide information, advice and guidance.

3.1 Priority 1 Exploiting and Enhancing Innovation

Priority 1 seeks to focus resource upon transformational investments that help to drive structural change and the long term competitiveness of the North East economy through sustained support to commercialise and embed science, technology and innovation across the North East business base and the wider community.

This agenda is reflected primarily through focused investment in support of the Innovation Connectors and associated knowledge, technology and innovation led sectors that seek to build upon existing North East competitive strengths in high value added manufacturing and process industries, in particular linked to low carbon energy, offshore and renewables, life sciences, advanced engineering, and research into materials technology and applications.

Over the course of 2014 the high value added sectors targeted through investments made under both the Innovation Connector investment programmes and wider Priority 1 investment have remained closely aligned and relevant to both North East LEP and Tees Valley Unlimited economic development plans and emerging Enterprise Zone and strategic site priorities.

Investments made under Priority 1 continue to be characterised by a robust partnership approach, building collaboration and knowledge transfer between Centres for Excellence, Universities in the programme area, Local Authorities and wider public / private sector.

3.1.1 Summary of key developments under Priority 1

Key developments have included:

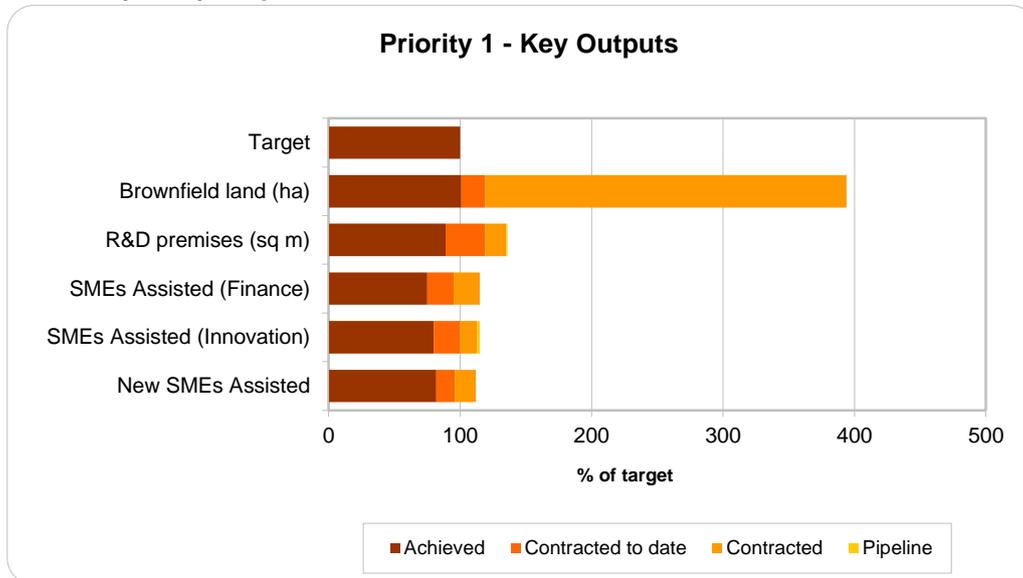
- 63 projects approved/live under Priority 1 at end 2014.
- Total cumulative figure of c£173.7m (c€205.1m) ERDF committed at end of December 2014, representing some 55% of the total ERDF resource committed to date.

- Sustained investment in world class facilities for business and university research and development (R&D) and commercialisation.
- Strengthened partnerships between industry, universities and commercial R&D.
- Facilitation of networks and collaboration to enhance cooperation between SMEs in high growth and value added sectors.
- Creation and promotion of employment opportunities and the promotion of community engagement related to science, technology and innovation.
- Commissioning activity as part of the 2014 calls seeking new activity for the Programme reserve list, with potential to absorb recycled funds.

3.1.2 Achievement of targets and analysis of progress

Notwithstanding ongoing socio-economic, practical delivery and implementation challenges described in this report, Charts 2 - 3 provide information on key indicators and performance resulting from programme investment under Priority 1 up to the end of December 2014.

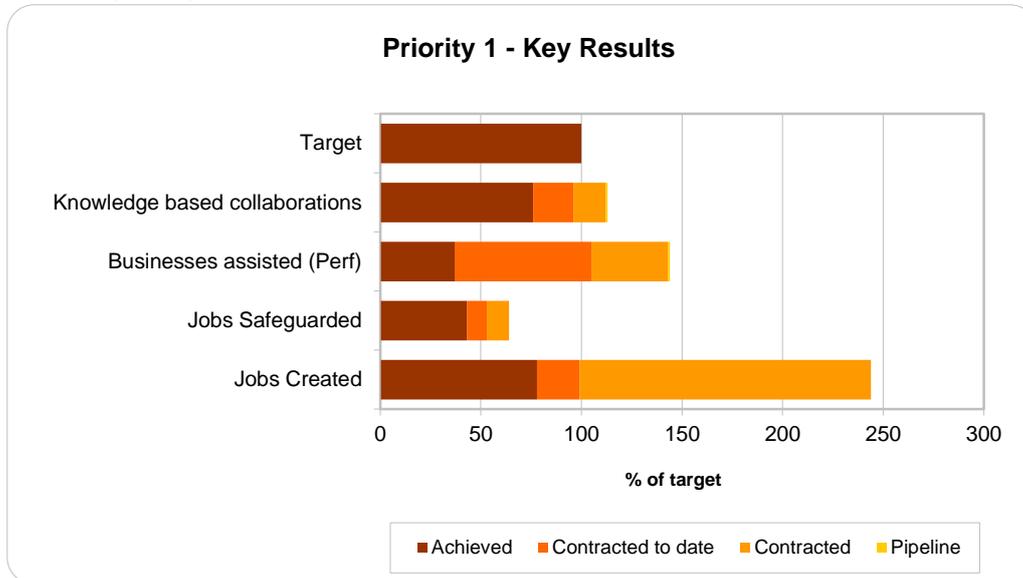
Chart 2: Priority 1 key outputs at end December 2014



- Performance against all key indicators is considered reasonable. The level of outputs contracted exceeds targets. Increasing focus going forward is upon the translation of remaining contracted targets into actual achievement.
- Performance in terms of contracted outputs associated with increased capital investment is strong. Contracted targets for Brownfield land and R&D premises reflects the impact of the modification agreed in 2012 leading to increased focus of ERDF investment in capital activity and the subsequent calls for applications. Brownfield land targets have already been met and are expected to significantly overachieve by Programme end.
- The economic downturn had led to reduced demand for business innovation support as SMEs have increasingly focused upon consolidation and short term business survival rather than investment in innovation and Research and Development. Contracted levels for SMEs (new and existing) exceed the Priority target, however the translation of these

into actual will remain a challenge and the focus of pro-active monitoring by DCLG to maximise achievement of target.

Chart 3 Priority 1 key results as at end December 2014



- The key results indicate broadly satisfactory progress to date in terms of contracted levels for **knowledge based collaborations**. Focus during the remaining delivery period will be on maximising achievement of contracted targets. Contracting for the **jobs safeguarded** indicator is below the Priority target due to a large extent to difficulties associated with the ability to evidence achievement. Partners will remain focused upon the need to strengthen actual achievement to maximise the translation from contracted into actual. The shortfall in jobs safeguarded is partly offset by the continued strong performance in terms of jobs created.
- While contracted levels for **businesses assisted improved performance** have improved and now exceed the Programme target, during 2015 strong focus will be on maximising actual achievement. Across all result indicators partners remain focused upon the need to translate contracted outputs and results into actual achievement as a key priority for the remainder of the programme period. The LMC and PEG groups continue to require the team to report and both groups pro-actively scrutinise performance in this area as part of the ongoing monitoring and de-commitment strategies agreed by partners at LMC.
- Performance in terms of **jobs created**, particularly in light of the current economic context, is viewed as a significant achievement for the programme in terms of both Programme and Priority level performance. Given the high rates of unemployment that persist in the programme area and the Government’s commitment to restructure the economy towards more private sector and high value added sector jobs, the LMC is particularly concerned to ensure the translation of contracted results into actual performance in this area.

As reported a significant proportion of Priority 1 resource has supported the Finance for Business North East (JEREMIE) Financial Engineering Instrument (FEI). The JEREMIE project is considered by partners as a key strength of the Programme at a time when the respective economic plans and analysis emerging from both LEPs continue to highlight the significant on going market failure with regards to access to finance for business across the programme area.

Finance for Business North East (JEREMIE)

Further detailed information on performance is provided in the SFC 2007 Financial Engineering Reporting Templates.

The Finance for Business North East (JEREMIE) Holding Fund was the first JEREMIE instrument established in England (November 2009) with an overall Fund value of £125m (€148.7m). The fund was initially set up to operate over a 5 year period from 2010 to 2014. Following LMC support at the June 2013 meeting an additional £10m ERDF investment and delivery time extension to December 2015 was agreed. As a result the total Holding Fund value has risen to **£142.5m (€159.9m)**.

The Finance for Business|North East Holding Fund provides a range of loans and equity investments to start ups and SMEs in the North East and comprises seven individual product funds:

- Proof of Concept
- Technology Fund
- Accelerator
- Angel Growth
- Growth Fund +
- Growth Fund
- Micro Loan Fund (launched in May 2011)

At the end of December 2014 the project had invested £118m (€139.3m) in support of 753 investments in 691 different SMEs. Progress against key milestones is set out in the charts 4 to 8.

Key highlights as presented in quarterly reports to the MA up to end December 2014 include:

- 691 different SMEs receiving financial investment of £118m (€139.3m);
- Leverage of £142m (€169.4m) meaning that North East businesses have received investment of £260m (€310.2m) as a result of these funds;
- 1,953 new jobs created;
- 2,803 jobs safeguarded;
- £29.5m (€35.2m) returned from the product funds;
- £5m (€5.9m) received in idle fund interest;
- EIB loan fully serviced (including capital repayment of £26.5m (€31.6m));
- Default rate (30%) remains within EIB tolerance thresholds (35%)

The performance of the fund overall remained broadly satisfactory in the period up to December 2014 with the project broadly on track with regards to ERDF investment and output targets, and continued improvement in performance linked to jobs created and safeguarded.

Investment activity during 2014 reported additional investments of £35m (€41.7m). This is broadly on profile. Across all the individual product funds a total of 4,434 applications have been received, suggesting that interest in the funds has remained strong and no significant reduction in the application rate has been reported to date.

The sectoral distribution of applications and investments remains in line with Operational Programme objectives to promote high value added sectors that can help to affect structural

change within the broader north eastern economy. For example, quarterly monitoring reports show that c86% of the value of investments made supported sectors such as:

- Manufacturing;
- Information and Communication;
- Professional, scientific and technical services;
- Health and social work activities.

Overall performance against business plan forecasts and progress against ERDF milestones remains broadly satisfactory in relation to agreed outputs/results. In particular, the instrument continues to perform strongly with regards to levels of private sector leverage generated, currently £142m (€169.4m) has been secured to date in support of SMEs in the programme area, which is in line with profiled target and significantly increases the availability of finance to SMEs across the programme area.

The DCLG ERDF Growth Delivery Team remains actively engaged through day to day monitoring activity, observer status at the NEF Board and Investment Advisory Group and through the FEI mid-point evaluation activity to ensure that points raised previously by LMC and PEG members are kept under review. In particular emphasis is given to value of investments and returns, value for money per job created, conversion rates of enquiries into offers, the geographic distribution of demand and investment and the effectiveness of mitigating actions adopted by NEF to address them.

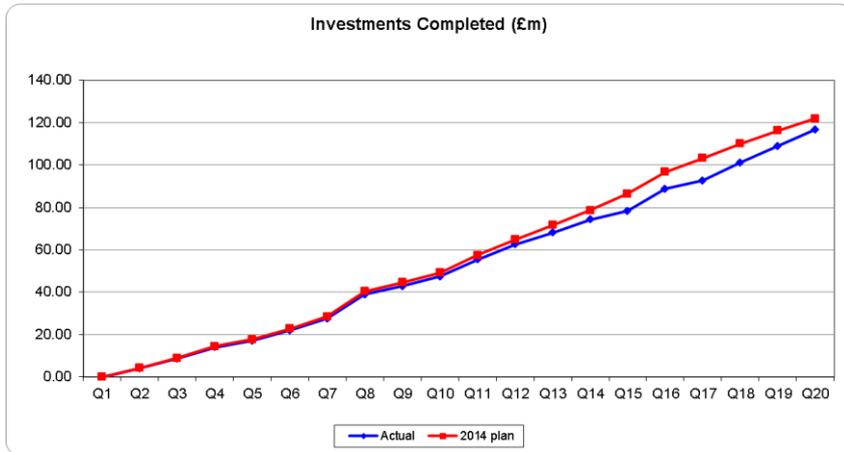
North East Finance, in its capacity as Holding Fund Manager will continue to work closely with the Advisory Board and individual product fund managers to scrutinise the investment portfolio to ensure that activity remains on track over the lifetime of the project.

The extension to the fund in value and time has provided additional ERDF to enable new companies to receive support, follow on investment for existing investee companies and also ensure that access to finance infrastructure is maintained until successor funds are in place, and addresses Partners concerns regarding a hiatus in activity which would have a damaging and lasting impact on SME growth and a potential loss of access to finance infrastructure. In light of the European Commission's proposal to extend the Financial Instruments (FIs) delivery timescales into 2016, the Managing Authority in conjunction with Partners are considering the potential for a further extension to the value of the JEREMIE fund, subject to the availability of funds and evidence of continued strong performance in the pace of investments.

FEI Performance Overview

Progress as at end December 2014:

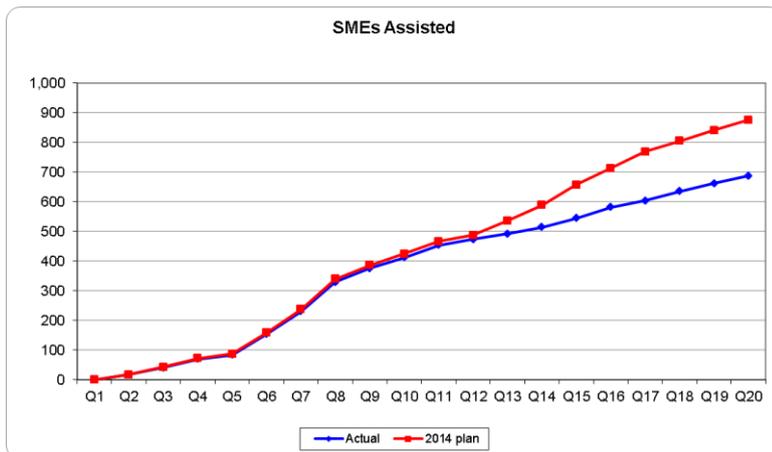
Chart 4



Target: £142.5m c(€179.9m) invested by December 2015 .

- £118m (€139.3m) invested at end of December 2014
- Investment activity at the end of December is slightly behind (2%) profile (£119.5m/ c€142.6m).

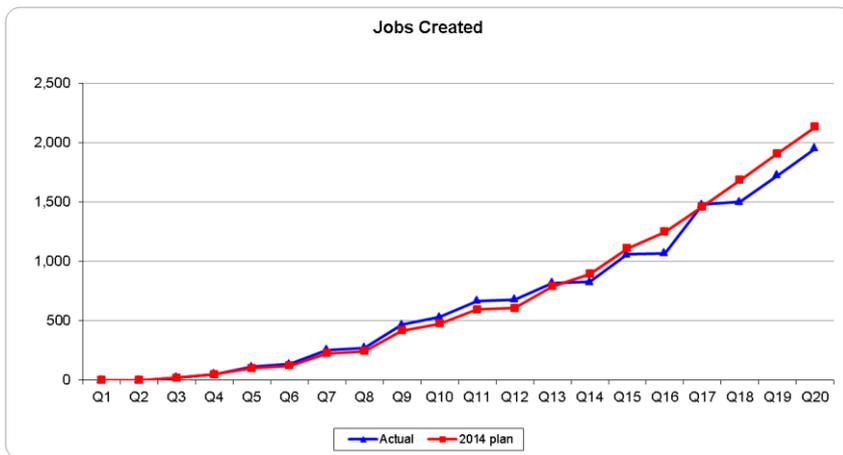
Chart 5



Target: 868 SMEs to receive financial assistance by December 2015.

- 691 SMEs have received financial assistance to date (753 investments in total), an increase of 109 on previously reported figures.
- This represents 79% of annual business plan forecasts agreed with product fund managers, and has decreased since the last report (84%).
- However, important to note that equates to under performance of 3.5% against original 2009 forecasts and ERDF milestones. Hence performance continues to be viewed as broadly satisfactory, although this is being kept under close review.

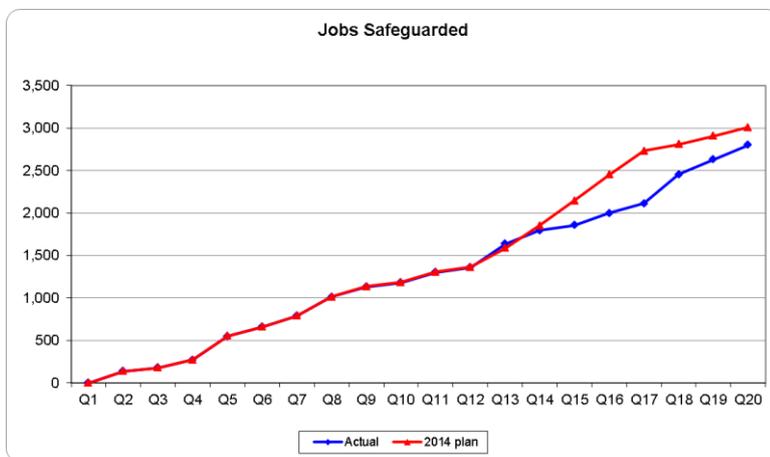
Chart 6



Target: 5,710 gross jobs created by 2019.

- *Jobs created have increased figures from 1,070 to 1,953 against previous reports. This represents 91% of annual business plan forecasts agreed with product fund managers.*
- *This represents an increase since the last report from 76% to 91% and performance is considered satisfactory.*

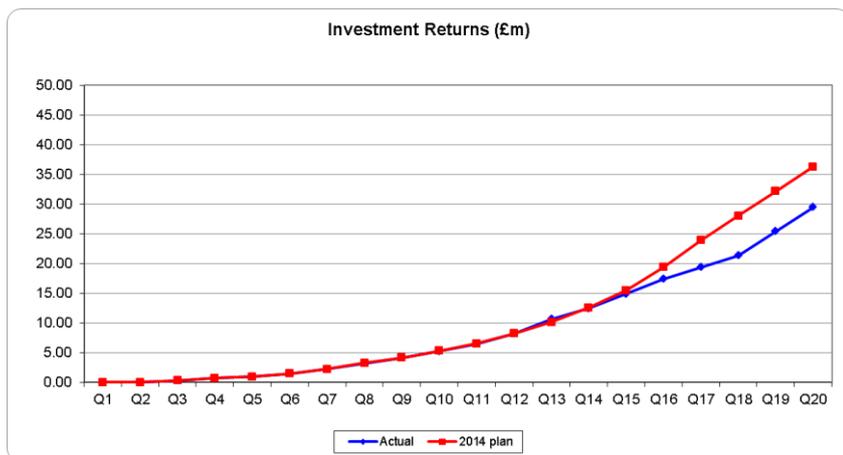
Chart 7



Target: 3,191 gross jobs safeguarded by 2019.

- *December end figures show an increase from 1,999 to 2,803 jobs safeguarded.*
- *Current performance is c93% against annual forecast v. c81% in the last reporting period.*
- *Current performance is at 93% of ERDF targets. Although slightly behind profile, performance has been steadily improving.*
- *DCLG continues to closely monitor performance in this area.*

Chart 8



- *Performance in this area drives the ability of the fund to meet EIB repayment profiles and helps maximise overall legacy funds once the EIB is fully discharged.*
- *All repayment targets have been met with some £26.5m (€31.6m) capital repayment having been made to EIB.*
- *Actual cash returned from product funds remains broadly satisfactory at £29.5m (€35.2m), which is c81% of forecasts.*

3.2 Priority 2 Business Growth and Enterprise

Priority 2 activity continues to address the relative underperformance of the North East Programme area (referenced in section 2.4) in terms of new business formation and wider business density by intervening to strengthen the entrepreneurial culture of the programme area and to address the enterprise deficit identified at programme development stage, helping to support the Government's objective to rebalance the economy to strengthen the role of the private sector in growth and employment creation.

Investment under Priority 2 also seeks to promote and strengthen competitiveness within the existing business base in order to drive forward performance across the key sectors identified in the OP in pursuit of wider economic growth and improved GVA performance relative to national and EU averages.

Support for enterprise (including social enterprise) under Priority 2 has also enabled the programme to target support on disadvantaged/underperforming parts of the programme area, reinforcing an equitable distribution of ERDF resources and underpinning the spatial cohesion aspects of the Cross Cutting Themes identified in the OP.

3.2.1 Summary of key developments under Priority 2

Key developments have included:

- 88 projects approved/live under Priority 2 at end 2014.
- Total cumulative figure of £135.0m (€161.1m) ERDF committed at end of December 2014, representing some 43% of the total ERDF resource committed to date.
- Sustained investment in support of enterprise, business and job creation and increased investment in infrastructure in support of unlocking employment and investment potential in Enterprise Zones and strategic sites.
- Ongoing support in disadvantaged parts of the region to address specific obstacles to entrepreneurship and wider intra-regional disparities in economic growth and opportunities in line with Programme cross cutting themes.
- Targeted support for high value added knowledge intensive sectors and advanced manufacturing and engineering in line with Local Enterprise Partnership and wider partner priorities and efforts to raise GVA performance of the programme area economy.

Call launched in July 2014 seeking new activity for the Programme reserve list, with the potential to absorb recycled funds.

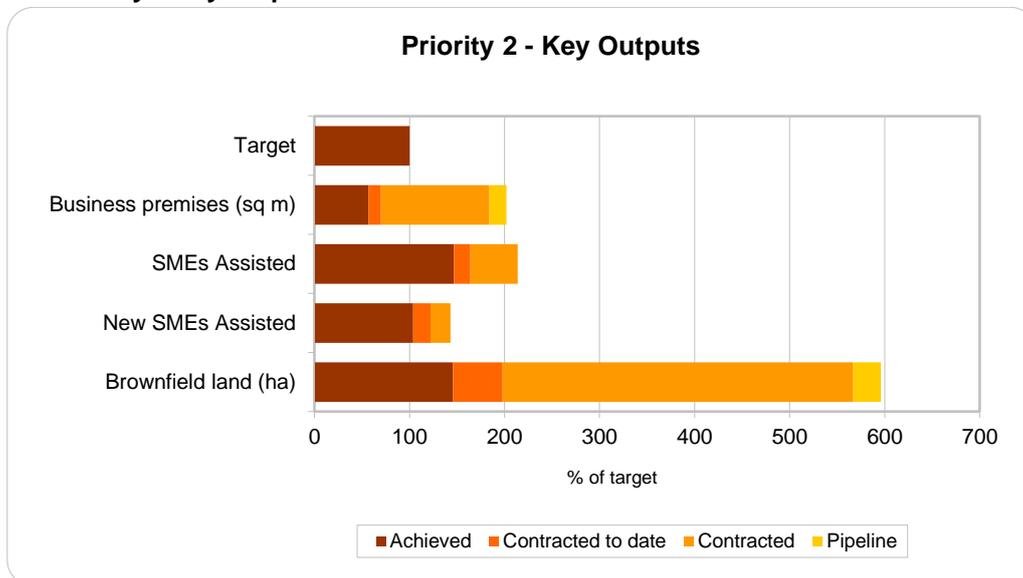
3.2.2 Achievement of targets and analysis of progress

Charts 9 and 10 provide information on key indicators resulting from programme investment under Priority 2 up to the end of December 2014. Progress against financial and non-financial contracted targets is considered strong and in line with the level of ERDF resource committed.

DCLG remains focussed on ensuring close monitoring and scrutiny of performance and in particular the ongoing translation of contracted outputs/results indicators where performance is lagging behind, in particular 'improved performance' and 'environmental performance', as well as prioritisation of delivery of remaining spend.

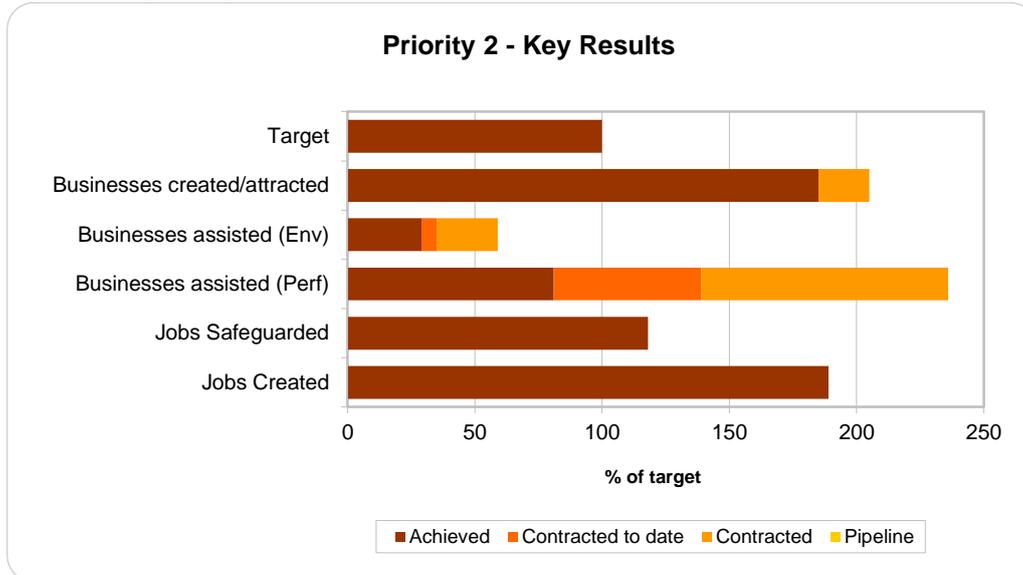
The Chart demonstrates significant increase in contracting against capital outputs i.e. business premises and brownfield land. The position reflects the Operational Programme shift towards capital investment, resulting from the modification of the programme in 2012.

Chart 9 Priority 2 key outputs at end of December 2014



- Performance in terms of new SMEs assisted is considered satisfactory in terms of both contracted and actually outputs achieved, with Programme target having been met. In terms of existing SMEs assisted contracting is considered robust and actual has already exceeded the Priority target.
- Partners will however maintain a strong focus during 2015 on the need for the translation of contracted outputs into actual performance to maximise achievement of Programme targets.

Chart 10 Priority 2 Key results at end of December 2014



- Performance in terms of actual and contracted results is considered strong with reference to business created/ attracted to the region, jobs created and jobs safeguarded. In the current socio-economic climate this is considered by partners to be a major achievement of the programme.
- Performance against the businesses assisted (performance) result has steadily improved over the course of 2012, 2013 and 2014 through the revision of the calls documents, improved clarity on definitions and cascading amongst partners of reporting and evidencing requirements. This has resulted in a much improved and robust contracted position, however strong focus will continue during 2015 to maximise the translation from contracted into actual.
- Performance in terms of businesses assisted with environmental performance will fall significantly short of the Programme target. As reported in previous annual implementation reports, analysis and anecdotal evidence presented by project applicants and intermediaries have indicated reduced and low levels of market failure in this area with SMEs increasingly integrating such activity as mainstream economic activity. Further analysis of the performance against this indicator target to better understand the underpinning factors will be undertaken as part of programme end evaluation activity.

The Creative Content Fund

The Creative Content Fund was a pilot fund which completed its two year investment phase in December 2011. In 2012 NFM (Holdco) and the project transferred to operate under the ownership of the legacy company North East Access to Finance (NEA2F) in line with national government policy regarding the local management of any legacy funds generated by the project. Fund managers currently provide a risk adjusted legacy forecast of £939,777 by December 2017. This figure is lower than historically reported and reflects the realism of market conditions. £299,381 in SME repayments and £6,505 in idle funds interest had been received at December 2014.

4. COHERENCE AND CONCENTRATION (ESF PROGRAMMES)/MAJOR PROJECTS

Not applicable.

5. TECHNICAL ASSISTANCE

Progress in Implementing the TA Strategy

Progress reports on Technical Assistance were provided to the PEG and the LMC as part of the Programme progress implementation report in June and October 2014.

Virement of TA Resource

Overall demand for Technical Assistance resource is expected to fall short of the Priority allocation, and unlikely to exceed the level shown in the section below 'Use of TA'.

At the October 2013 LMC meeting in principle agreement to vire c£3m (€3.6m) resource out of Priority 3 into Priority 1 where demand exceeds available resource was confirmed. Virement proposals to move ERDF from Priority 3 will be reviewed by the Managing Authority and recommendations will be considered by the LMC and PEG to inform a Programme modification to amend the financial tables. A programme modification is expected to be submitted to the European Commission by September 2015.

Use of Technical Assistance

During 2014 no new Technical Assistance applications were submitted however a number of requests for increased funding for existing contracts were considered and agreed. Approved TA extension requests are included in the overall amount against each contract shown in Table 22.

TA funding is a critical source of funding to support the delivery of key functions required to achieve the successful delivery of the Programme, including:

- A robust technical appraisal and approval functions;
- High quality support and servicing of the LMC and its committees;
- Robust Article 13 verification work;
- Efficient claims and irregularities management;
- Project and programme monitoring to ensure effective performance management;
- Programme Communications;
- Development of eligible and robust applications;
- Strong Partners engagement in the delivery of the programme.

In line with the agreed Technical Assistance Strategy, Technical Assistance resource has been used to part fund some preparatory work for the 2014-20 programme period, including research and evaluation activity looking at the role of smart specialisation in promoting growth and impact of previous ERDF investment in FEIs.

Table 22 provides the full list of projects within Priority 3 at end of December 2014

Table 22

Projects	Contracted Projects	
	ERDF Value	ERDF %
Durham SRP Capacity	£16,487	50.0%
Project Verification Service	£172,315	48.5%
ERDF Technical Assistance	£4,396,838	50.0%
Northumberland SRP Capacity 2009-2015	£321,136	49.3%
Tees Valley SRP Capacity 2009-11	£106,929	50.0%
Durham SRP Capacity 2009-11	£75,153	50.0%
Newcastle City Council - Technical Assistance	£277,813	50.0%
Tees Valley Unlimited ERDF Support 2012-15	£384,368	50.0%
Northern Economic Futures	£17,081	50.0%
Technical Assistance - NELEP	£129,144	50.0%
Evaluation of North East Publicly Funded SME Finance	£317,106	50.0%
TOTAL	£6,214,369	49.9%

6. PUBLICITY AND INFORMATION

Press and publicity activity throughout 2014 continued through a range of existing communications outlets including press releases, electronic stakeholder bulletins, website, training workshops and social media.

The approach to communications seeks to ensure that beneficiaries of ERDF investment are aware of the role of the EU Commission and ERDF investment in the North East, and stakeholders are given regular updates on developments, regulatory requirements and progress of the ERDF Operational Programme.

ERDF Communications Strategy

Progress in 2014 towards the outputs and milestones set out in the ERDF Communications strategy includes:

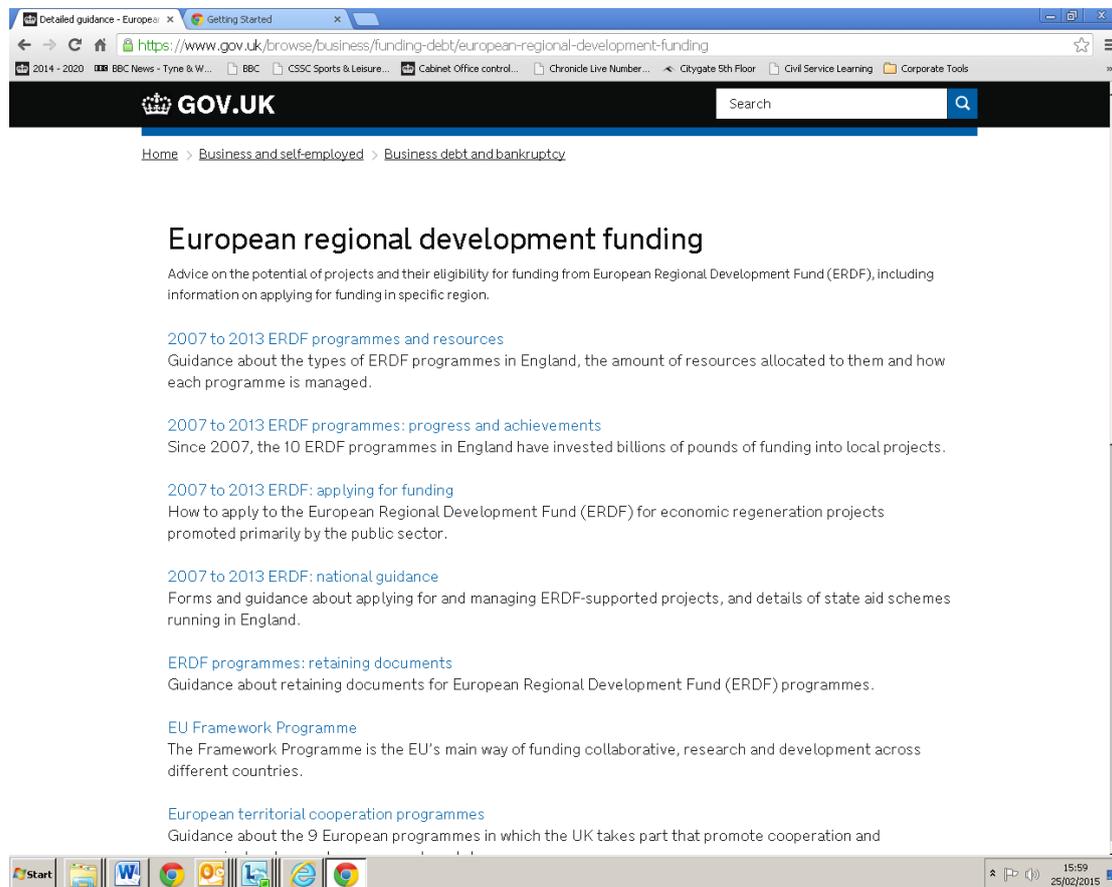
- 24 press releases
- 4 stakeholder e-bulletins, 7 practitioner e-bulletins and 2 e-alerts;
- 1 annual 'information event';
- Practitioner training workshops;
- Updating and re-issue of the ERDF Business Guide highlighting the wide range of business support initiatives delivered in the North East with ERDF support.

Website activity

A dedicated ERDF homepage on the Gov.uk website remained a constant in 2014, continuing to be a primary source of information about the 2007-2013 Programme.

The website was updated throughout the year to reflect the status of the programme to ensure stakeholders have access to up to date information including:

- programme and resources
- programme progress and achievements
- applying for funding
- national guidance
- retaining documents



List of beneficiaries

The list of beneficiaries continues to be updated on a monthly basis. In addition an update on project approvals is included in regular e-bulletins which are circulated to partners. To access the list please visit: <https://www.gov.uk/erdf-programmes-progress-and-achievements>

A Summary of Projects providing more detailed information about project approvals also continues to be updated regularly and can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/399323/ERDF_North_East_2007-13_summary_of_projects_-_December_2014.pdf

Stakeholder e-bulletins

Three stakeholder e-bulletins were issued in 2014 to a circulation of over 500 regional contacts. The database continues to be kept up-to-date, including relevant ERDF practitioners and stakeholders.

Topics covered within these bulletins include:

- ERDF Programme Performance Updates
- Meeting the commitment target
- Compliance
- Calls for Proposals
- Project endorsements
- ERDF Claims
- FEI updates
- ERDF survey
- ERDF Business Guide
- Sharing learning and outcome of audits
- Launch of the ERDF local growth success stories booklet 2014

A number of e-alerts were also sent to stakeholders bringing information to their attention including calls for proposals and an ERDF communications survey.

Bulletins continue to signpost potential applicants to the dedicated ERDF website for key documentation, eligibility information and new or updated documents.

ERDF Practitioner Network

The ERDF Practitioner Network includes 369 practitioners from a range of partner organisations across the North East which comprises stakeholders supporting the development and delivery of ERDF projects.

Training workshops on ERDF claims were delivered in 2014. The sessions provided an overview of processes involved in claims preparations and submission on MCIS, including guidance and advice to help ERDF practitioners to develop robust and compliant claims.

In addition six practitioner e-bulletins were sent out covering a broad range of relevant information for Practitioners alerting them to important changes and essential Programme updates, including:

- Highlights from PEG and LMC meetings
- Important information regarding retention of documents including templates for stickers advising practitioners to not destroy documents
- Launch and close of calls for proposals
- Project endorsements
- State Aid Rules Consultation
- Procurement - lessons learned
- Changes to OJEU thresholds
- New guidance on financial corrections

Annual Information Event

In line with EU publicity requirements and the Programme Communications Strategy, a major annual event/activity was delivered in 2014 in the form of a booklet showcasing achievements and projects.

The ERDF local growth success stories booklet was launched in December 2014 to highlight examples of the range of ERDF funded projects, supporting innovation and promoting business competitiveness to create places to live and work in North East England.

Among the projects highlighted were Newcastle Science City and Finance for Business North East as well as business growth projects such as iNorthumberland Digital Economy Growth Programme and Teesside University Graduate Enterprise.

The booklet was sent to all 519 stakeholders on the DCLG Growth Delivery Team database. It has also been published on the Government website and can be viewed at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/387180/ERDF_North_East_2014_annual_publication.pdf.

Publicity for Project Approvals

24 press releases were issued between January and December 2014 highlighting ERDF investment activity or project successes in North East England.

Ends