



Department for
Communities and
Local Government

YORKSHIRE AND THE HUMBER COMPETITIVENESS AND EMPLOYMENT PROGRAMME 2007-13

ANNUAL IMPLEMENTATION REPORT 2014

**CCI: 2007 UK162PO009
June 2015**



EUROPEAN UNION
Investing in Your Future

European Regional
Development Fund 2007-13

PLEASE NOTE

All financial information contained in this report is provided in both Sterling and in Euros.

An exchange rate of £1 = €1.2113 (December 2014) is used throughout to convert Sterling amounts in the narrative sections of this report to Euros.

CONTENTS

CHAPTER 1: IDENTIFICATION AND INTRODUCTION	4
CHAPTER 2: OVERVIEW OF THE IMPLEMENTATION OF THE OPERATIONAL PROGRAMME	5
2.1 Achievement and Analysis of Progress	5
2.2 Compliance with Community Law	33
2.3 Significant Problems Encountered and Measures Taken to Overcome Them	34
2.4 Changes in the Context of the Operational Programme Implementation	35
2.5 Substantial modification under Article 57 of Regulation (EC) 1083/2006	42
2.6 Complementarity with other instruments	42
2.7 Monitoring Arrangements	42
CHAPTER 3: IMPLEMENTATION BY PRIORITY	50
3.1 Priority 1: Promoting Innovation and R&D	51
3.2 Priority 2: Stimulating and Supporting Successful Enterprise	61
3.3 Priority 3: Sustainable Communities	74
3.4 Priority 4: Economic Infrastructure for a Competitive Economy	82
3.5 Priority 5: Technical Assistance	87
3.6 Priority Financial Allocations	90
CHAPTER 4: EUROPEAN SOCIAL FUND	92
CHAPTER 5: MAJOR PROJECTS	93
CHAPTER 6: TECHNICAL ASSISTANCE	97
CHAPTER 7: INFORMATION & PUBLICITY	98
ANNEXES	
A Beneficiary Data	
B Financial Engineering Instruments	

Chapter 1: IDENTIFICATION AND INTRODUCTION

1.1 IDENTIFICATION

Table 1

OPERATIONAL PROGRAMME	Objective: Regional Competitiveness and Employment
	Eligible Area: Yorkshire and the Humber
	Programming Period: 2007-2013
	Programme Number: CCI 2007 UK162PO009
	Programme Title: Yorkshire and the Humber Competitiveness and Employment Operational Programme 2007-2013
ANNUAL IMPLEMENTATION REPORT	Reporting Year: 2014
	Approval of the annual report by monitoring committee: 19 June 2015

1.2 INTRODUCTION

In line with the obligations set out under article 67 of EC Regulation 1083/2006 this report is submitted by the Department of Communities and Local Government (DCLG) Yorkshire and the Humber Programme delivery team for the calendar year ending 31 December 2014. The report describes the implementation of the Programme in both the phasing-in region of South Yorkshire and non-phasing-in region of Yorkshire and the Humber (excluding South Yorkshire) between 1 January and 31 December 2014.

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

The 2014 Report builds on previous annual implementation reports submitted and describes the achievements and challenges faced by the ERDF Growth Delivery Team and its partners under which the Programme is currently being implemented.

The report seeks to demonstrate that the ERDF Programme in Yorkshire and the Humber is a significant resource effectively utilised by local partners to drive local growth in challenging economic operating conditions.

Chapter 2: OVERVIEW OF THE IMPLEMENTATION OF THE OPERATIONAL PROGRAMME

2.1 ACHIEVEMENT AND ANALYSIS OF PROGRESS

2.1.1 Information on the physical progress of the Operational Programme

The Yorkshire and the Humber Programme continues to operate in challenging conditions reflective of the national economy and the associated fiscal consolidation and public sector expenditure constraints. Against this background, the Programme has progressed well in terms of commitment and investment of the funds in support of local growth and jobs.

The key challenges facing the programme in 2014 included

- Reaching and maintaining full commitment of the programme resource
- Meeting the 2014 n+2 target of €444.4m
- Providing assurance on its compliance related activities to audit authorities

Through the combined endeavours of the ERDF programme delivery team, Local Management Committee, Performance Management Boards and local partners, 2014 saw:

- 2014 n+2 target met, without compromising compliance
- Full commitment reached, and maintained by judicious recycling of funds
- Article 16 audit operations in 2014 identified €0.5m errors against €57.5m tested expenditure
- Significant progress towards key output and result targets.

On the outcomes:

- New businesses created – the cumulative total has moved on to 1725 business creations, or 87% of the Programme target, a 22 percentage point in year increase
- Jobs created – The impact of ERDF interventions on job growth are now being realised with 8148 new jobs created in 2014, taking the cumulative total to 12505 or 168% of target
- Jobs safeguarded –The target has been exceeded by 228% with 13495 jobs secured through timely ERDF funded interventions

- Increase in GVA – good in year progress has been made as business turnover data becomes available. Performance against target moved from 41% to 56% in 2014, at £234m growth.
- SME assists – 12,318 interventions, or 116% of the Operational Programme target has been achieved.
- New or upgraded floorspace – Progress remains slower than expected at this stage in the Programme cycle, with a third of the target 186,000 sq meterage of floorspace delivered. Contract levels however suggest that programme ambitions will be met.

Strong operational delivery has seen in 2014:

- 22 new funding agreements issued bringing the total number of contracted projects to 161
- €59.9m (£50.9m) of ERDF legally committed in year, taking total legal commitments to €598.2m (£508.6m) or 102% of the Programme
- €463.6m (£388.6m) of cumulative declarations were made to the Commission in response to claims made, taking the overall declaration total to 79% of total allocation

Table 2 – Total Programme Indicators

Total Programme Indicators											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Number of businesses assisted that are SMEs	Achieved	0	0	0	315	417	210	98	447	0	1,487
	Target	-	-	-	-	-	-	-	-	-	1,567
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of projects (direct aid to SMEs - ERDF 7)	Achieved	0	0	85	802	2,447	3,271	2,781	2,524	0	11,910
	Target	-	-	-	-	-	-	-	-	-	9,341
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of RTD projects	Achieved	0	0	0	287	352	38	36	303	0	1,016
	Target	-	-	-	-	-	-	-	-	-	1,238
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of RTD projects including number of co-operation project enterprises - research institutions (ERDF 5)	Achieved	0	0	0	262	336	0	1	69	69	668
	Target	-	-	-	-	-	-	-	-	-	801
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses contributing to reduction in eco footprint/waste	Achieved	0	0	0	0	0	0	177	79	0	256
	Target	-	-	-	-	-	-	-	-	-	1,366
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses assisted that are social enterprises included in above	Achieved	0	0	42	58	213	277	181	160	0	931
	Target	-	-	-	-	-	-	-	-	-	820
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses over coming barriers to employment	Achieved	0	0	2	1	160	518	309	131	0	1,121
	Target	-	-	-	-	-	-	-	-	-	644
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace (m ²)	Achieved	0	0	184.21	586.33	43.46	25,476	16,028.76	37,770.00	0	80,088
	Target	-	-	-	-	-	-	-	-	-	186,052
	Baseline	-	-	-	-	-	-	-	-	-	-

New or upgraded floorspace to BREEAM rating of Good or above or equivalent (m ²)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,781
	Baseline	-	-	-	-	-	-	-	-	-	-
Brownfield land reclaimed and/or redeveloped (Ha)	Achieved	0	0	0	0	0	0	6.5	0	0	6.5
	Target	-	-	-	-	-	-	-	-	-	12.21
	Baseline	-	-	-	-	-	-	-	-	-	-
Low or zero carbon employment sites developed (Ha)	Achieved	0	0	0	0	0	0	9.7	0	0	9.7
	Target	-	-	-	-	-	-	-	-	-	51.30
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of renewable energy technology systems installed	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	96
	Baseline	-	-	-	-	-	-	-	-	-	-
Volume of additional flood storage capacity (m ³)	Achieved	0	0	0	0	0	0	179	35	0	214
	Target	-	-	-	-	-	-	-	-	-	12,586
	Baseline	-	-	-	-	-	-	-	-	-	-
Watercourse restored (km)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	9.45
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses and properties with reduced flood risk	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	25,200
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of additional businesses covered by new or improving broadband access	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	5,500
	Baseline	-	-	-	-	-	-	-	-	-	-
Green spaces improved, accessible to local organisation (Ha)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	6
	Baseline	-	-	-	-	-	-	-	-	-	-
Green capacity building initiatives supported	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	13
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of projects ensuring	Achieved	0	0	0	0	0	0	2	0	0	2
	Target	-	-	-	-	-	-	-	-	-	8

sustainability and improving the attractiveness of towns and cities	Baseline	-	-	-	-	-	-	-	-	-	-
Number of projects seeking to promote businesses, entrepreneurship, new technology (ERDF40)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	9
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of projects (Transport)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	4
	Baseline	-	-	-	-	-	-	-	-	-	-
Information society projects (ERDF 11)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	4
	Baseline	-	-	-	-	-	-	-	-	-	-
Hectares of land improved	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1.67
	Baseline	-	-	-	-	-	-	-	-	-	-
Kilometres of gateway improved	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2.89
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of new businesses created (ERDF 8)	Achieved	0	0	5	120	410	290	469	747	0	2041
	Target	-	-	-	-	-	-	-	-	-	1,982
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross new jobs created (ERDF 1, 2 & 3)	Achieved	0	0	30.8	655.72	1,705.37	3,159.88	4,357.48	5,352	0	15,261
	Target	-	-	-	-	-	-	-	-	-	7,429
	Baseline	-	-	-	-	-	-	-	-	-	-
Research jobs created (ERDF 8)	Achieved	0	0	0	0	0	0	28.7	48	0	76.7
	Target	-	-	-	-	-	-	-	-	-	0
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross jobs safeguarded	Achieved	0	0	76.9	3,067.4	4,418.2	2,989.2	1,307.31	2,507	0	14,365
	Target	-	-	-	-	-	-	-	-	-	5,913
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross increase in GVA (£m)	Achieved	0	0	0.7	22.9	34.8	53.5	58.2	205.6	£0	375.8
	Target	-	-	-	-	-	-	-	-	-	419.0
	Baseline	-	-	-	-	-	-	-	-	-	-
MW of renewable	Achieved	0	0	0	0	0	0	0	0	0	0

energy capacity installed	Target	-	-	-	-	-	-	-	-	-	30.35
	Baseline	-	-	-	-	-	-	-	-	-	-
Total number of businesses improving capability/performance	Achieved	0	0	0	0	0	0	269	626	0	895
	Target	-	-	-	-	-	-	-	-	-	2,331
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses contributing to a reduction in ecological footprint / waste	Achieved	0	0	0	0	0	0	0	256	0	256
	Target	-	-	-	-	-	-	-	-	-	1,366
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of new or existing businesses locating to eco-efficient, high quality workspace	Achieved	0	0	0	0	0	0	1	2	0	3
	Target	-	-	-	-	-	-	-	-	-	3
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses safeguarded against environmental risk	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,525
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses accessing new or improved broadband services	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,200
	Baseline	-	-	-	-	-	-	-	-	-	-
Value for time savings from new and reconstructed roads (£/year)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	500,000
	Baseline	-	-	-	-	-	-	-	-	-	-
Additional population served with improved urban transport	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,080
	Baseline	-	-	-	-	-	-	-	-	-	-
Reduction greenhouse gas emissions (CO2 and equivalents, kt)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	166
	Baseline	-	-	-	-	-	-	-	-	-	-
Net start-up businesses created	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	778

	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs created	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	5,399
	Baseline	-	-	-	-	-	-	-	-	-	-
Net additional GVA (£m)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	351.7
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs safeguarded	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	4,268
	Baseline	-	-	-	-	-	-	-	-	-	-
Net safeguarded GVA (£m)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	191.2
	Baseline	-	-	-	-	-	-	-	-	-	-
Economic/employment sites unlocked (Ha)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	85
	Baseline	-	-	-	-	-	-	-	-	-	-

Table 3 – South Yorkshire ‘Phasing in’ Indicators

South Yorkshire ‘Phasing in’ Indicators											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Number of businesses assisted that are SMEs	Achieved	0	0	0	189	262	131	61	158	0	801
	Target	-	-	-	-	-	-	-	-	-	662
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of projects (direct aid to SMEs - ERDF 7)	Achieved	0	0	35	347	1,781	1,648	1,059	638	0	5,508
	Target	-	-	-	-	-	-	-	-	-	3,901
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of RTD projects	Achieved	0	0	0	164	223	17	25	89	0	518
	Target	-	-	-	-	-	-	-	-	-	580
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of RTD projects including number of co-operation project enterprises - research institutions (ERDF 5)	Achieved	0	0	0	165	221	0	0	0	0	386
	Target	-	-	-	-	-	-	-	-	-	452
	Baseline	-	-	-	-	-	-	-	-	-	-

Number of businesses contributing to reduction in eco footprint/waste	Achieved	0	0	0	0	0	0	62	28	0	90
	Target	-	-	-	-	-	-	-	-	-	505
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses assisted that are social enterprises included in above	Achieved	0	0	14	37	124	108	56	92	0	431
	Target	-	-	-	-	-	-	-	-	-	317
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of projects over-coming barriers to employment	Achieved	0	0	1	1	71	430	86	78	0	667
	Target	-	-	-	-	-	-	-	-	-	305
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace (m ²)	Achieved	0	0	184.21	586.33	43.46	14,888	2,416	20,990	0	39,108
	Target	-	-	-	-	-	-	-	-	-	88,850
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace to BREEAM rating of Good or better or equivalent (m ²)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,187
	Baseline	-	-	-	-	-	-	-	-	-	-
Brownfield land reclaimed and/or redeveloped (Ha)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	5.23
	Baseline	-	-	-	-	-	-	-	-	-	-
Low or zero carbon employment sites developed (Ha)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1.30
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of renewable energy technology systems installed	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	67
	Baseline	-	-	-	-	-	-	-	-	-	-
Volume of additional flood storage capacity (m ³)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,486
	Baseline	-	-	-	-	-	-	-	-	-	-
Watercourse restored (km)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1.85
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of	Achieved	0	0	0	0	0	0	0	0	0	0

businesses and properties with reduced flood risk	Target Baseline	- -	- -	- -	- -	- -	- -	- -	- -	- -	12,575 -
Number of additional businesses covered by or improving broadband	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 2,500 -
Green Space improved, accessible to local organisation (Ha)	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 4 -
Green capacity building initiatives supported	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 9 -
Number of projects ensuring sustainability and improving the attractiveness of towns and cities	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	1 - -	2 - -	0 - -	2 8 -
Number of projects seeking to promote businesses, entrepreneurship, new technology (ERDF40)	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 9 -
Number of projects (Transport)	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 4 -
Information Society projects (ERDF 11)	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 4 -
Hectares of land improved	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 1.67 -
Kilometres of gateway improved	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 2.89 -

Number of new businesses created (ERDF 8)	Achieved	0	0	1	116	376	86	215	216	0	1,010
	Target	-	-	-	-	-	-	-	-	-	901
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross new jobs created (ERDF 1, 2 & 3)	Achieved	0	0	12	600	1,233	1,675	2,335	2,735	0	8,590
	Target	-	-	-	-	-	-	-	-	-	3,138
	Baseline	-	-	-	-	-	-	-	-	-	-
Research jobs created (ERDF 8)	Achieved	0	0	0	0	0	0	26.7	45.3	0	72.0
	Target	-	-	-	-	-	-	-	-	-	0
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross safeguarded jobs	Achieved	0	0	6	561.3	2,665.4	1,130.5	491.71	490.1	0	5,345
	Target	-	-	-	-	-	-	-	-	-	2,145
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross increase in GVA (£m)	Achieved	0	0	0.4	4.5	14.1	24.6	36.9	77.1	0	157.6
	Target	-	-	-	-	-	-	-	-	-	167.8
	Baseline	-	-	-	-	-	-	-	-	-	-
MW of renewable energy capacity installed	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	3.19
	Baseline	-	-	-	-	-	-	-	-	-	-
Total number of businesses improving capability / performance	Achieved	0	0	0	0	0	0	9	0	0	9
	Target	-	-	-	-	-	-	-	-	-	679
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses contributing to reduction in ecological footprint/waste	Achieved	0	0	0	0	0	0	0	90	0	90
	Target	-	-	-	-	-	-	-	-	-	505
	Baseline	-	-	-	-	-	-	-	-	-	-
Value for time savings from new and reconstructed roads (£/year)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	500,000
	Baseline	-	-	-	-	-	-	-	-	-	-
Additional population served with improved urban transport	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,080
	Baseline	-	-	-	-	-	-	-	-	-	-
Reduction greenhouse gas emissions (CO2 and	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	166
	Baseline	-	-	-	-	-	-	-	-	-	-

equivalents, kt)											
Net start-up businesses created	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	257
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs created	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,473
	Baseline	-	-	-	-	-	-	-	-	-	-
Net additional GVA (£m)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	150.5
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs safeguarded	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,810
	Baseline	-	-	-	-	-	-	-	-	-	-
Net safeguarded GVA (£m)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	87.4
	Baseline	-	-	-	-	-	-	-	-	-	-
Economic/employment sites unlocked (Ha)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	85
	Baseline	-	-	-	-	-	-	-	-	-	-

Table 4 – Yorkshire and the Humber (excluding South Yorkshire) Indicators

Yorkshire and the Humber (excluding South Yorkshire) Indicators											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Number of businesses assisted that are SMEs	Achieved	0	0	0	126	155	79	37	289	0	686
	Target	-	-	-	-	-	-	-	-	-	905
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of projects (direct aid to SMEs - ERDF 7)	Achieved	0	0	50	455	666	1,623	1,722	1,886	0	6,402
	Target	-	-	-	-	-	-	-	-	-	5,440
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of RTD projects	Achieved	0	0	0	123	129	21	11	214	0	498
	Target	-	-	-	-	-	-	-	-	-	658
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of RTD projects -including.	Achieved	0	0	0	98	115	0	0	60	0	273
	Target	-	-	-	-	-	-	-	-	-	349

number of co-operation projects enterprises research institutions (ERDF 5)	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses contributing to reduction in eco footprint/waste	Achieved	0	0	0	0	0	0	115	51	0	166
	Target	-	-	-	-	-	-	-	-	-	861
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses assisted that are social enterprises included in above	Achieved	0	0	28	21	89	169	125	68	0	500
	Target	-	-	-	-	-	-	-	-	-	503
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of projects over- coming barriers to employment	Achieved	0	0	1	0	89	88	223	53	0	454
	Target	-	-	-	-	-	-	-	-	-	339
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace (m ²)	Achieved	0	0	0	0	0	10,588	13,613	16,780	0	40,981
	Target	-	-	-	-	-	-	-	-	-	97,202
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace BREEAM rating of Good or above or equivalent (m ²)	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	594
	Baseline	-	-	-	-	-	-	-	-	-	-
Brownfield land reclaimed and/or redeveloped (Ha)	Achieved	0	0	0	0	0	0	6.5	0.5	0	7.0
	Target	-	-	-	-	-	-	-	-	-	6.98
	Baseline	-	-	-	-	-	-	-	-	-	-
Low or zero carbon employment sites developed (Ha)	Achieved	0	0	0	0	0	0	9.7	0.3	0	10.0
	Target	-	-	-	-	-	-	-	-	-	50.00
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of renewable energy technology systems installed	Achieved	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	29
	Baseline	-	-	-	-	-	-	-	-	-	-
Volume of additional flood storage capacity (m ³)	Achieved	0	0	0	0	0	0	179	35	0	214
	Target	-	-	-	-	-	-	-	-	-	10,100
	Baseline	-	-	-	-	-	-	-	-	-	-
Watercourse restored	Achieved	0	0	0	0	0	0	0	0	0	0

(km)	Target Baseline	- -	- -	- -	- -	- -	- -	- -	- -	- -	7.6 -
Number of businesses and properties with reduced flood risk	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 12,625 -
Number of additional businesses covered by new or improving broadband access	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 3,000 -
Green Space improved, accessible to local organisation (Ha)	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 2 -
Green capacity building initiatives supported	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 4 -
Number of new businesses created (ERDF 8)	Achieved Target Baseline	0 - -	0 - -	4 - -	4 - -	34 - -	191 - -	267 - -	531 - -	0 - -	1,031 1,081 -
Gross new jobs created (ERDF 1, 2 & 3)	Achieved Target Baseline	0 - -	0 - -	19 - -	56 - -	473 - -	1,484 - -	2,002 - -	2,637 - -	0 - -	6,671 4,291 -
Research jobs created (ERDF 8)	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	2 - -	3 - -	0 - -	5 0 -
Gross jobs safeguarded	Achieved Target Baseline	0 - -	0 - -	71 - -	2,506 - -	1,753 - -	1,859 - -	815 - -	2,016 - -	0 - -	9,020 3,768 -
Gross increase in GVA (£m)	Achieved Target Baseline	0 - -	0 - -	0.3 - -	18.4 - -	20.7 - -	28.9 - -	21.4 - -	128.6 - -	0 - -	218.3 251.2 -
MW of renewable energy capacity installed	Achieved Target Baseline	0 - -	0 - -	0 - -	00 - -	00 - -	00 - -	0 - -	0 - -	0 - -	0 27.16 -
Total number of businesses improving capability /	Achieved Target Baseline	0 - -	0 - -	0 - -	00 - -	0 - -	0 - -	260 - -	557 - -	0 - -	817 1,652 -

performance											
Number of businesses contributing to a reduction in ecological footprint / waste	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	166 - -	0 - -	166 861 -
Number of new or existing businesses locating to eco-efficient, high quality workspace	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	1 - -	0 - -	0 - -	1 3 -
Number of businesses safeguarded against environmental risk	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 2,525 -
Number of businesses accessing new or improved broadband services	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 1,200 -
Net start-up businesses created	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 521 -
Net jobs created	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 2,926 -
Net additional GVA (£m)	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 201.22 -
Net jobs safeguarded	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 2,485 -
Net safeguarded GVA (£m)	Achieved Target Baseline	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 - -	0 103.78 -

Table 5 - Priority Axes by Source of Funding

	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: Promoting Innovation and R&D	€ 174,973,680	€ 171,241,536	€ 3,732,144	€ 172,454,257	€65,375,524.22
Of which ESF type expenditure	€0	€0	€0	€0	€0
Of which ERDF type expenditure	€ 174,973,680	€ 171,241,536	€ 3,732,144	€ 172,454,257	€65,375,524.22
Priority Axis 2: Stimulating and Supporting Successful Enterprise	€ 413,496,898	€ 305,900,513	€ 107,596,385	€ 405,006,372	€144,124,930.98
Of which ESF type expenditure	€0	€0	€0	€0	€0
Of which ERDF type expenditure	€ 413,496,898	€ 305,900,513	€ 107,596,385	€ 405,006,372	€144,124,930.98
Priority Axis 3: Sustainable Communities	€ 193,110,449	€ 166,081,536	€ 27,028,913	€ 190,755,892	€72,572,217.10
Of which ESF type expenditure	€0	€0	€0	€0	€0
Of which ERDF type expenditure	€ 193,110,449	€ 166,081,536	€ 27,028,913	€ 190,755,892	€72,572,217.10
Priority Axis 4: Economic Infrastructure For A Competitive Economy	€ 227,244,062	€ 220,417,765	€ 6,826,298	€ 226,616,301	€59,050,415.14
Of which ESF type expenditure	€0	€0	€0	€0	€0
Of which ERDF type expenditure	€ 227,244,062	€ 220,417,765	€ 6,826,298	€ 226,616,301	€59,050,415.14
Priority Axis 5: Technical Assistance	€ 15,788,955	€ 15,607,377	€ 181,578	€ 15,612,728	€5,218,595.13
Of which ESF type expenditure	€0	€0	€0	€0	€0
Of which ERDF type expenditure	€ 15,788,955	€ 15,607,377	€ 181,578	€ 15,612,728	€5,218,595.13
Grand Total	€ 1,024,614,044	€ 879,248,727	€ 145,365,317	€ 1,010,445,549	€346,341,682.57
ESF type expenditure in the grand total where the Operational Programme is co-financed by the ERDF	€0	€0	€0	€0	€0
ERDF type expenditure in the grand total where the Operational Programme is co-financed by the ESF	€0	€0	€0	€0	€0

In 2014 the Commission reimbursed two payment claims: one relating to the December 2012 declaration for €71,117,605.12 and one for the December 2013 declaration for €59,332,255.10.

2.1.2 Categorisation of Funds

The following tables categorise investment and expenditure to date:

- **Table 6** shows the categorisation of funds for ERDF investment across the whole programme

Priority Theme	Form of Finance	Territory	Economic Activity	Location Code	Location Code Description	Sum of ERDF Commitment (€)	Sum of ERDF Expenditure (€)
01	1	1	22	UKE3	South Yorkshire	€ 5,021,460	€ 74,888
01	1	1	22	UKE31	Barnsley, Doncaster and Rotherham	€ 12,109,866	€ 3,457,611
01	1	1	22	UKE41	Bradford	€ 3,362,316	€ 2,840,904
02	1	1	22	UKE	Yorkshire and the Humber	€ 9,242,185	€ 8,551,780
02	1	1	22	UKE21	York	€ 32,399,704	€ 27,770,465
02	1	1	22	UKE3	South Yorkshire	€ 472,965	€ 402,627
02	1	1	22	UKE31	Barnsley, Doncaster and Rotherham	€ 25,894,293	€ 24,628,754
02	1	1	22	UKE32	Sheffield	€ 7,880,534	€ 7,282,008
02	1	1	22	UKE4	West Yorkshire	€ 2,224,566	€ 2,001,343
02	1	1	22	UKE44	Calderdale & Kirklees	€ 5,096,157	€ 4,192,514
03	1	1	22	UKE	Yorkshire and the Humber	€ 7,941,217	€ 3,284,566
03	1	1	22	UKE21	York	€ 1,523,425	€ 1,332,538
03	1	1	22	UKE3	South Yorkshire	€ 1,544,973	€ 1,445,318
04	1	1	22	UKE	Yorkshire and the Humber	€ 2,936,743	€ 3,004,094
04	1	1	22	UKE3	South Yorkshire	€ 1,443,410	€ 1,252,223
04	1	1	22	UKE32	Sheffield	€ 4,970,941	€ 5,078,142
05	1	1	22	UKE	Yorkshire and the Humber	€ 3,429,463	€ 2,022,150
05	1	1	22	UKE13	North and North East Lincolnshire	€ 908,589	€ 768,119
05	1	1	22	UKE3	South Yorkshire	€ 4,265,997	€ 2,981,363
05	1	1	22	UKE32	Sheffield	€ 827,405	€ 697,611
05	1	1	22	UKE41	Bradford	€ 2,383,512	€ 1,612,978
05	1	1	22	UKE42	Leeds	€ 971,994	€ 869,722
06	1	1	21	UKE	Yorkshire and the Humber	€ 6,847,039	€ 4,881,257
06	1	1	21	UKE13	North and North East Lincolnshire	€ 908,589	€ 768,119
06	1	1	21	UKE3	South Yorkshire	€ 1,077,858	€ 1,022,516
06	1	1	21	UKE44	Calderdale & Kirklees	€ 1,562,324	€ 66,607
07	1	1	22	UKE	Yorkshire and the Humber	€ 764,670	€ 267,143
07	1	1	22	UKE3	South Yorkshire	€ 628,719	€ 274,321
08	1	1	22	UKE	Yorkshire and the Humber	€ 3,915,943	€ 2,226,873
08	1	1	22	UKE11	Kingston Upon Hull, City of	€ 5,329,406	€ 3,198,616
08	1	1	22	UKE22	North Yorkshire CC	€ 1,838,318	€ 1,491,098
08	1	1	22	UKE3	South Yorkshire	€ 36,406,643	€ 30,291,717
08	1	1	22	UKE31	Barnsley, Doncaster and Rotherham	€ 24,564,400	€ 16,810,896
08	1	1	22	UKE32	Sheffield	€ 4,132,697	€ 2,108,033
08	1	1	22	UKE4	West Yorkshire	€ 9,631,507	€ 6,707,626
08	1	1	22	UKE41	Bradford	€ 7,900,853	€ 6,566,344
08	1	1	22	UKE44	Calderdale & Kirklees	€ 703,662	€ 508,610
08	3	1	22	UKE	Yorkshire and the Humber	€ 38,852,178	€ 31,829,343
08	3	1	22	UKE3	South Yorkshire	€ 30,134,775	€ 24,037,051
09	1	1	22	UKE	Yorkshire and the Humber	€ 17,311,259	€ 6,476,652
09	1	1	22	UKE11	Kingston Upon Hull, City of	€ 25,724,319	€ 9,668,015
09	1	1	22	UKE12	East Riding of Yorkshire	€ 2,056,484	€ 742,600
09	1	1	22	UKE13	North and North East Lincolnshire	€ 8,275,278	€ 6,262,498
09	1	1	22	UKE22	North Yorkshire CC	€ 2,805,678	€ 2,648,520
09	1	1	22	UKE3	South Yorkshire	€ 6,334,889	€ 4,847,239
09	1	1	22	UKE31	Barnsley, Doncaster and Rotherham	€ 16,654,180	€ 6,638,346

09	1	1	22	UKE32	Sheffield	€ 19,436,500	€ 10,676,974
09	1	1	22	UKE4	West Yorkshire	€ 1,752,233	€ 1,198,510
09	1	1	22	UKE41	Bradford	€ 4,640,267	€ 4,065,283
09	1	1	22	UKE42	Leeds	€ 6,583,884	€ 1,346,752
09	1	1	22	UKE44	Calderdale & Kirklees	€ 4,070,671	€ 3,760,036
09	1	1	22	UKE45	Wakefield	€ 4,076,766	€ 2,540,876
10	1	1	10	UKE12	East Riding of Yorkshire	€ 6,241,920	€ 241,405
10	1	1	10	UKE13	North and North East Lincolnshire	€ 3,402,397	€ 1,376,785
10	1	1	10	UKE22	North Yorkshire CC	€ 18,719,262	€ 12,482,358
10	1	1	10	UKE3	South Yorkshire	€ 32,635,386	€ 30,106,270
10	1	1	10	UKE4	West Yorkshire	€ 5,109,565	€ 547,958
13	1	1	22	UKE13	North and North East Lincolnshire	€ 527,508	€ 483,000
13	1	1	22	UKE32	Sheffield	€ 2,902,866	€ 2,471,681
15	1	1	22	UKE11	Kingston Upon Hull, City of	€ 1,121,371	€ 993,328
15	1	1	22	UKE3	South Yorkshire	€ 321,151	€ 263,652
41	1	1	21	UKE11	Kingston Upon Hull, City of	€ 24,103,846	€ -
43	1	1	21	UKE	Yorkshire and the Humber	€ 4,933,104	€ 4,459,661
43	1	1	21	UKE3	South Yorkshire	€ 3,745,042	€ 3,332,738
49	1	1	21	UKE12	East Riding of Yorkshire	€ 8,024,184	€ 1,015,379
52	1	1	11	UKE31	Barnsley, Doncaster and Rotherham	€ 3,244,876	€ 3,017,659
52	1	1	11	UKE32	Sheffield	€ 9,849,052	€ 3,517,731
61	1	1	21	UKE11	Kingston Upon Hull, City of	€ 1,212,063	€ 1,134,500
61	1	1	21	UKE12	East Riding of Yorkshire	€ 11,958,560	€ 4,801,386
61	1	1	21	UKE3	South Yorkshire	€ 4,637,250	€ 3,204,548
61	1	1	21	UKE31	Barnsley, Doncaster and Rotherham	€ 19,565,106	€ 16,413,223
61	1	1	21	UKE32	Sheffield	€ 21,693,594	€ 8,241,867
61	1	1	21	UKE42	Leeds	€ 2,342,283	€ 2,045,649
61	1	1	21	UKE44	Calderdale & Kirklees	€ 6,838,050	€ 3,975,929
61	1	1	21	UKE45	Wakefield	€ 7,533,122	€ 3,104,987
85	1	1	17	UKE12	East Riding of Yorkshire	€ 1,765,720	€ 803,698
85	1	1	17	UKE3	South Yorkshire	€ 5,933,095	€ 2,900,285
85	1	1	22	UKE	Yorkshire and the Humber	€ 3,418,499	€ 1,292,210
85	1	1	22	UKE42	Leeds	€ 108,565	€ 103,382
86	1	1	17	UKE3	South Yorkshire	€ -	€ -
86	1	1	22	UKE	Yorkshire and the Humber	€ -	€ -
Grand Total						€ 643,661,145	€ 411,811,461

- **Table 7** shows the categorisation of funds for investment in Yorkshire and the Humber (excluding South Yorkshire)

Key areas for investment in Yorkshire and the Humber include:

- The Embedded Business Space and Technology Transfer project under Priority Theme 2 in York which has supported a major physical development and related business support to link SMEs with the academic and research expertise at the University.

- Multiple investments under Priority Theme 9 that provide support across Yorkshire and the Humber focusing on stimulation of research and entrepreneurial activity. 8 projects are focused on delivering this activity specifically in Hull where the need for this type of activity is particularly acute.
- The Connecting North Yorkshire project under Priority Theme 10 in North Yorkshire is ensuring that rural SMEs have access to faster broadband speeds and are maximising their use to expand their businesses and create jobs.
- Energy Works in Hull under Priority Theme 41 will be a major flagship project for Hull demonstrating innovative technologies in producing energy from waste.

Table 7

Priority Theme	Form of Finance	Territory	Economic Activity	Location Code	Location Code Description	Sum of ERDF Commitment (€)	Sum of ERDF Expenditure (€)
01	1	1	22	UKE41	Bradford	€ 3,362,316	€ 2,840,904
02	1	1	22	UKE	Yorkshire and the Humber	€ 9,242,185	€ 8,551,780
02	1	1	22	UKE21	York	€ 32,399,704	€ 27,770,465
02	1	1	22	UKE4	West Yorkshire	€ 2,224,566	€ 2,001,343
02	1	1	22	UKE44	Calderdale & Kirklees	€ 5,096,157	€ 4,192,514
03	1	1	22	UKE	Yorkshire and the Humber	€ 7,941,217	€ 3,284,566
03	1	1	22	UKE21	York	€ 1,523,425	€ 1,332,538
04	1	1	22	UKE	Yorkshire and the Humber	€ 2,936,743	€ 3,004,094
05	1	1	22	UKE	Yorkshire and the Humber	€ 3,429,463	€ 2,022,150
05	1	1	22	UKE13	North and North East Lincolnshire	€ 908,589	€ 768,119
05	1	1	22	UKE41	Bradford	€ 2,383,512	€ 1,612,978
05	1	1	22	UKE42	Leeds	€ 971,994	€ 869,722
06	1	1	21	UKE	Yorkshire and the Humber	€ 6,847,039	€ 4,881,257
06	1	1	21	UKE13	North and North East Lincolnshire	€ 908,589	€ 768,119
06	1	1	21	UKE44	Calderdale & Kirklees	€ 1,562,324	€ 66,607
07	1	1	22	UKE	Yorkshire and the Humber	€ 764,670	€ 267,143
08	1	1	22	UKE	Yorkshire and the Humber	€ 3,915,943	€ 2,226,873
08	1	1	22	UKE11	Kingston Upon Hull, City of	€ 5,329,406	€ 3,198,616
08	1	1	22	UKE22	North Yorkshire CC	€ 1,838,318	€ 1,491,098
08	1	1	22	UKE4	West Yorkshire	€ 9,631,507	€ 6,707,626
08	1	1	22	UKE41	Bradford	€ 7,900,853	€ 6,566,344
08	1	1	22	UKE44	Calderdale & Kirklees	€ 703,662	€ 508,610
08	3	1	22	UKE	Yorkshire and the Humber	€ 38,852,178	€ 31,829,343
09	1	1	22	UKE	Yorkshire and the Humber	€ 17,311,259	€ 6,476,652
09	1	1	22	UKE11	Kingston Upon Hull, City of	€ 25,724,319	€ 9,668,015
09	1	1	22	UKE12	East Riding of Yorkshire	€ 2,056,484	€ 742,600
09	1	1	22	UKE13	North and North East Lincolnshire	€ 8,275,278	€ 6,262,498
09	1	1	22	UKE22	North Yorkshire CC	€ 2,805,678	€ 2,648,520
09	1	1	22	UKE4	West Yorkshire	€ 1,752,233	€ 1,198,510
09	1	1	22	UKE41	Bradford	€ 4,640,267	€ 4,065,283
09	1	1	22	UKE42	Leeds	€ 6,583,884	€ 1,346,752
09	1	1	22	UKE44	Calderdale & Kirklees	€ 4,070,671	€ 3,760,036
09	1	1	22	UKE45	Wakefield	€ 4,076,766	€ 2,540,876
10	1	1	10	UKE12	East Riding of Yorkshire	€ 6,241,920	€ 241,405

10	1	1	10	UKE13	North and North East Lincolnshire	€ 3,402,397	€ 1,376,785
10	1	1	10	UKE22	North Yorkshire CC	€ 18,719,262	€ 12,482,358
10	1	1	10	UKE4	West Yorkshire	€ 5,109,565	€ 547,958
13	1	1	22	UKE13	North and North East Lincolnshire	€ 527,508	€ 483,000
15	1	1	22	UKE11	Kingston Upon Hull, City of	€ 1,121,371	€ 993,328
41	1	1	21	UKE11	Kingston Upon Hull, City of	€ 24,103,846	€ -
43	1	1	21	UKE	Yorkshire and the Humber	€ 4,933,104	€ 4,459,661
49	1	1	21	UKE12	East Riding of Yorkshire	€ 8,024,184	€ 1,015,379
61	1	1	21	UKE11	Kingston Upon Hull, City of	€ 1,212,063	€ 1,134,500
61	1	1	21	UKE12	East Riding of Yorkshire	€ 11,958,560	€ 4,801,386
61	1	1	21	UKE42	Leeds	€ 2,342,283	€ 2,045,649
61	1	1	21	UKE44	Calderdale & Kirklees	€ 6,838,050	€ 3,975,929
61	1	1	21	UKE45	Wakefield	€ 7,533,122	€ 3,104,987
85	1	1	17	UKE12	East Riding of Yorkshire	€ 1,765,720	€ 803,698
85	1	1	22	UKE	Yorkshire and the Humber	€ 3,418,499	€ 1,292,210
85	1	1	22	UKE42	Leeds	€ 108,565	€ 103,382
86	1	1	22	UKE	Yorkshire and the Humber	€ -	€ -
Grand Total						€ 335,331,221	€ 194,334,168

- **Table 8** shows the categorisation of funds for investment in South Yorkshire

Key areas for investment in South Yorkshire include:

- The Advanced Manufacturing Park in Rotherham has received significant ERDF investment under Priority Theme 2 to expand the world class research facilities available at the site.
- Multiple projects, including Access to Opportunities and the SY Sector Growth Enhancement Programme, under Priority Theme 8 covering South Yorkshire that deliver business support to SMEs. Barnsley, Doncaster and Rotherham have 7 specific entrepreneurial support programmes tailored to local needs that is reflected in the substantial investment under Priority Theme 8 for this area. A number of these projects target those furthest from the job market.
- 4 major infrastructure investments in Sheffield such as Stocksbridge Renaissance have received support under Priority Theme 61.

Table 8

Priority Theme	Form of Finance	Territory	Economic Activity	Location Code	Location Code Description	Sum of ERDF Commitment (€)	Sum of ERDF Expenditure (€)
01	1	1	22	UKE3	South Yorkshire	€ 5,021,460	€ 74,888
01	1	1	22	UKE31	Barnsley, Doncaster and Rotherham	€ 12,109,866	€ 3,457,611
02	1	1	22	UKE3	South Yorkshire	€ 472,965	€ 402,627
02	1	1	22	UKE31	Barnsley, Doncaster and Rotherham	€ 25,894,293	€ 24,628,754
02	1	1	22	UKE32	Sheffield	€ 7,880,534	€ 7,282,008
03	1	1	22	UKE3	South Yorkshire	€ 1,544,973	€ 1,445,318
04	1	1	22	UKE3	South Yorkshire	€ 1,443,410	€ 1,252,223
04	1	1	22	UKE32	Sheffield	€ 4,970,941	€ 5,078,142

05	1	1	22	UKE3	South Yorkshire	€ 4,265,997	€ 2,981,363
05	1	1	22	UKE32	Sheffield	€ 827,405	€ 697,611
06	1	1	21	UKE3	South Yorkshire	€ 1,077,858	€ 1,022,516
07	1	1	22	UKE3	South Yorkshire	€ 628,719	€ 274,321
08	1	1	22	UKE3	South Yorkshire	€ 17,997,360	€ 11,575,408
08	1	1	22	UKE31	Barnsley, Doncaster and Rotherham	€ 24,564,400	€ 16,810,896
08	1	1	22	UKE32	Sheffield	€ 4,132,697	€ 2,108,033
08	3	1	22	UKE3	South Yorkshire	€ 48,544,058	€ 42,753,361
09	1	1	22	UKE3	South Yorkshire	€ 6,334,889	€ 4,847,239
09	1	1	22	UKE31	Barnsley, Doncaster and Rotherham	€ 16,654,180	€ 6,638,346
09	1	1	22	UKE32	Sheffield	€ 19,436,500	€ 10,676,974
10	1	1	10	UKE3	South Yorkshire	€ 32,635,386	€ 30,106,270
13	1	1	22	UKE32	Sheffield	€ 2,902,866	€ 2,471,681
15	1	1	22	UKE3	South Yorkshire	€ 321,151	€ 263,652
43	1	1	21	UKE3	South Yorkshire	€ 3,745,042	€ 3,332,738
52	1	1	11	UKE31	Barnsley, Doncaster and Rotherham	€ 3,244,876	€ 3,017,659
52	1	1	11	UKE32	Sheffield	€ 9,849,052	€ 3,517,731
61	1	1	21	UKE3	South Yorkshire	€ 4,637,250	€ 3,204,548
61	1	1	21	UKE31	Barnsley, Doncaster and Rotherham	€ 19,565,106	€ 16,413,223
61	1	1	21	UKE32	Sheffield	€ 21,693,594	€ 8,241,867
85	1	1	17	UKE3	South Yorkshire	€ 5,933,095	€ 2,900,285
86	1	1	17	UKE3	South Yorkshire	€ -	€ -
Grand Total						€ 308,329,924	€ 217,477,293

- **Table 9** shows expenditure by Economic Activity

Economic Activity	Sum of ERDF Commitment (€)	Sum of ERDF Expenditure (€)
10	€ 66,108,530	€ 44,754,777
11	€ 13,093,929	€ 6,535,390
17	€ 7,698,815	€ 3,703,983
21	€ 126,982,014	€ 58,468,367
22	€ 429,777,857	€ 298,348,945
Grand Total	€ 643,661,145	€ 411,811,461

Although the majority of investment is categorised as 22 – Other unspecified services, the table reflects the importance of broadband (Category 10 - Post and telecommunications) and activity linked to the environment (Category 21) in promoting business competitiveness in Yorkshire and the Humber.

- **Table 10** shows expenditure by Form of Finance

Form of Finance	Sum of ERDF Commitment (€)	Sum of ERDF Expenditure (€)
1	€ 538,100,109.13	€ 325,428,758
3	€ 105,561,035.90	€ 86,382,704

Grand Total	€ 643,661,145.03	€ 411,811,461
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The Yorkshire and the Humber Programme has dedicated around a 6th of investment to venture capital / loan funds, demonstrating the commitment in Yorkshire and Humber to using financial mechanisms as a means of generating sustained improvements to jobs and growth.

- **Table 11** shows expenditure by Lisbon priority theme dimension

Priority Theme	ERDF Expenditure		
	RoR	SY	Grand Total
01 - RTD activities in research centres	€ 2,840,904	€ 3,532,499	€ 6,373,403
02 - RTD infrastructures	€ 42,516,102	€ 32,313,390	€ 74,829,492
03 - Technology transfer and improvement of cooperation networks between SMEs and research institutes	€ 4,617,104	€ 1,445,318	€ 6,062,422
04 - Aid for the RTD in particular in the SMEs	€ 3,004,094	€ 6,330,365	€ 9,334,459
05 - Advanced supporting services in companies and groups of companies	€ 5,272,969	€ 3,678,973	€ 8,951,942
06 - Assistance to SMEs for the promotion of environmentally products and processes	€ 5,715,983	€ 1,022,516	€ 6,738,499
07 - Investments in companies directly related to research and innovation	€ 267,143	€ 274,321	€ 541,465
08 - Other investments in firms	€ 52,528,511	€ 73,247,698	€ 125,776,208
09 - Other actions aiming at stimulation of research and innovation and entrepreneurship in SMEs	€ 38,709,742	€ 22,162,559	€ 60,872,301
10 - CI infrastructures (including broadband networks)	€ 14,648,507	€ 30,106,270	€ 44,754,777
13 - Services and applications for the citizen	€ 483,000	€ 2,471,681	€ 2,954,681
15 - Other actions aiming at access to the TIC by the SMEs and their effective use	€ 993,328	€ 263,652	€ 1,256,980
41 - Renewable energy: biomass	€ -		€ -
43 - Energy efficiency, combined heat and power, control of energy	€ 4,459,661	€ 3,332,738	€ 7,792,400
49 - Mitigation and adaptation to climate change	€ 1,015,379	€ -	€ 1,015,379
52 - Promotion of clean urban public transport	€ -	€ 6,535,390	€ 6,535,390
61 - Integrated projects for urban/rural rehabilitation	€ 15,062,451	€ 27,859,638	€ 42,922,089
85 - Preparation, implementation, follow-up and control	€ 2,199,290	€ 2,900,285	€ 5,099,575
86 - Evaluation, studies, conferences, publicity	€ -	€ -	€ -
Grand Total	€ 194,334,168	€ 217,477,293	€ 411,811,461

The data reflects the continued focus of the Programme on the following areas:

- Promoting and stimulating innovation as a key driver of productivity (Priority themes 1-4) with an emphasis on physical infrastructure (Priority Theme 2)
- Encouraging SME growth and competitiveness through direct investments, including financial instruments (Priority theme 8), and stimulating of research and entrepreneurship (Priority theme 9)
- Better access to ICT services as a mechanism for maintaining and enhancing SME competitiveness (Priority theme 10)
- Creating the environment for growth through investment in business premises and economic infrastructure.

Lisbon Compliance

Based on project expenditure at 31st December 2014, €348,125,912 of the Programme's €411,811,461 expenditure is against Lisbon compliant categories. This represents 84.5% of the total expenditure against 78.28% as anticipated in the Operational Programme.

2.1.3 Assistance by Target Groups

The Programme continues to promote the objectives of equal opportunities and non-discrimination as required by Article 16 of regulation EC 1083/2006. To this end, the Operational Programme includes specific cross-cutting theme indicators associated with the target groups of women, and Black, Asian and Minority Ethnic. These targets encourage applicants to consider how they should design, deliver and monitor their projects to promote best practice in equal opportunities and non-discrimination.

All projects are expected to deliver against cross-cutting theme targets or provide a justification if these targets are not appropriate. Assessment of projects by the Programme delivery team considers contributions to target group indicators as part of the appraisal and value for money considerations. Where included in a funding agreement, projects must report cross-cutting theme indicators as part of their monthly claiming and reporting process. This requires that beneficiary data, to verify achievement of these targets, is available.

Monitoring progress towards cross-cutting theme targets is included as part of the contract management function of the Programme delivery team. Checking and verification of cross-cutting theme achievements is tested by the Article 13 and Article 16 audit teams. However, the claims system is not configured to collect CCT data and therefore a degree of under-reporting is anticipated.

Target Groups – Women

Table 12 provides target and achievement data relating to the gender equality cross-cutting theme targets.

Cross Cutting Theme Indicators		Priority 1	Priority 2	Priority 3	Total
Number of new businesses created – majority female owned	Target	11	63	143	217
	Achieved	2	19	512	533
	Variance	-9	-44	369	316
Gross new jobs created for women	Target	196	872	620	1688
	Achieved	37	1018	1958	3013
	Variance	-159	146	1338	1325
Gross jobs safeguarded – women	Target	262	812	349	1423
	Achieved	416	1459	459	2335
	Variance	154	647	110	912

Performance against gender cross-cutting theme targets shows significant progress since 2013, with targets at Programme level all achieved.

Performance in Priority 1 remains the weakest. The number of new businesses created by women reflects the underlying issue with creating businesses generally in Priority 1. Activity is predominantly focused on technology transfer and new processes/product development with existing businesses and opportunities to spin-out new, highly innovative companies is considered risky and therefore limited.

New jobs being filled by women remains a challenge. Applicants for jobs in the science and engineering based organisations that feature heavily as Priority 1 beneficiaries remaining largely from males with opportunities to redress this balance limited for project delivery organisations.

Priority 2 has continued to make solid progress since 2013. The weaker performance against number of new businesses owned by females reflects the limited achievements against the underlying core indicator.

Priority 3 continues to exceed expectations. The higher levels of achievement in Priority 3 reflect the correlation between the CCT Programme targets and Priority 3's focus on supporting under-represented groups.

Target Groups – Black, Asian and Minority Ethnic

Table 13 provides target, forecast (contracted) and achievement data relating to the Black, Asian and Minority Ethnic equalities cross-cutting theme.

Cross Cutting Theme Indicators		Priority 1	Priority 2	Priority 3	Total
Number of new businesses created – majority BAME owned	Target	4	22	50	76
	Achieved	2	4	100	107
	Variance	-2	-18	50	31
Gross new jobs created - BAME	Target	45	169	99	313
	Achieved	37	285	452	774
	Variance	-8	116	353	461
Gross jobs safeguarded – BAME	Target	60	174	56	290
	Achieved	308	198	76	582
	Variance	248	24	20	292

Overall Programme performance against Black, Asian and Minority Ethnic targets has shown significant progress in 2014, with the targets for new businesses (BAME owned) achieved along with the 2 other indicators.

Priority 1 had performed very poorly against the BAME targets up to 2013, so the figures reflect a significant improvement in 2014 with the jobs safeguarded target achieved and good progress towards the new businesses created and new jobs target.

Priority 2 has now exceeded the new and safeguarded jobs and although unlikely to achieve the new businesses created targets, progress continues to be made.

Priority 3 has continued to perform strongly due to it's focus on supporting under-represented groups, and has now achieved all targets which compensates for weaker performance against some of the indicators in Priorities 1 and 2.

Environmental Good Practice

Projects began to report against a number of the Programme's environmental targets in 2014. 256 businesses have reduced their eco-footprint or waste and 10 zero carbon employment sites have been developed.

Flood projects which have been some of the last projects to begin delivery are beginning to report a modest level of indicators. 214m² of additional flood capacity has been provided and further results such as businesses with reduced flood risk are anticipated shortly.

All capital projects funded through the Programme have to commit to achieving the BREEAM sustainability standard of "Very Good" as a minimum. Obtaining BREEAM certification of some of the completed facilities is taking longer than anticipated but the expectation is that the Operational Programme target will be met.

The specific reports for each Priority Axis in Chapter 3 contain more information about the practical implementation of the environmental theme.

2.1.4 Assistance Repaid or Re-used

In line with the principles set out in Article 57 and 98(2) of General Regulation 1083/2006, the Programme is required to report the value of assistance re-paid or re-used within the programming period.

By the end of 2014, a cumulative total of 329 irregularities have been identified (including non / financial corrections and errors), amounting to €26.501m (£22.731m) ERDF from €65.575m (£56.390m) expenditure. Of these, 228 had been concluded, with €21.887 (£18.775m) of funds returned to the Programme. The remaining 101 cases were open or in recovery. The number of cases appears high but, for administrative purposes, irregularities found in projects which are contracted across the transitional and non-transitional regions may be recorded twice. This does not affect the sterling values shown here. Also, the figures include the return of €15.562m arising from the Digital Region major project.

2.1.5 Financial Analysis

Table 14 – Financial Summary

		Cumulative total at 1/1/14	Cumulative total to 31/12/14	In-year figure*	OP target	Cumulative total as % of OP target
ERDF received	Total	€ 287,932,057.00	€346,341,683.00	€ 0.00	€ 583,580,959.00	49.3%
	South Yorkshire	€ 164,725,535.00	€ 160,856,703.00	€0.00	€ 271,041,326.00	60.78%
	Rest of Region	€ 123,206,522.00	€ 185,484,980.00	€0.00	€ 312,539,633.00	39.42%

Table 15 – Projects Contracted

	Cumulative total to 1/1/14	Cumulative total to 31/12/14	In year (2014)	OP target	% of OP target
Projects contracted	137	161	22		
Total ERDF value contracted	€ 529,246,675.99	€598,752,561.07	€ 69,505,885.08	€ 583,580,959.00	102.60%

2.1.6 Core Indicator Performance

Table 16 – Core Indicator Performance

Core Indicator Number	Core indicator	Baseline	Cumulative Achievement to 31st December 2014	Overall Final Target	Comments
1	Number of jobs created	0	15,261	7,429	
2	Jobs created for men	0	12,248	5,741	Not a target specified in Operational Programme and therefore not reported by projects. Achievement total is derived from total <i>Number of Jobs created</i> minus <i>Jobs Created for Women</i> . The total therefore includes Jobs created where gender has not been specified.
3	Jobs created for women	0	3,013	1,688	Total based on actual reported achievement. Performance lagging attributable to impact of economic/fiscal climate
4	Number of RTD projects	0	22	0	No Operational Programme target consistent with this definition. See note above. For the purpose of consistent reporting with other English Programmes, Indicator is defined and reported on the basis of number of ERDF contracted projects (as opposed to individual business RTD interventions) <i>Note that the Operational Programme target included elsewhere in this report is based on interventions with business. Figures will therefore differ.</i>
6	Research jobs created	0	76.7	0	Indicator is included in the Operational Programme but not quantified.
7	Number of projects (direct investment aid to SMEs)	0	64	0	No Operational Programme target consistent with this definition. See note above. For the purpose of consistent reporting with other English Programmes, Indicator is defined and reported on the basis of number of ERDF contracted projects (as opposed to individual business RTD interventions) <i>Note that the Operational Programme target included elsewhere in this report is based on interventions with business. Figures will therefore differ.</i>
8	Number of start-ups supported	0	2,041	1,982	The Operational Programme target of <i>Businesses Created</i> has been used for this indicator.

10	Investment induced (million €)	0	€643	€583m	Not an Operational Programme target. Match funding has been used as a proxy.
11	Number of projects (information society)	0	0	4	The target of 4 will be achieved, currently subject to reporting and verification

2.1.7 Partnership Arrangements

ERDF Governance

Local leadership, decision making and engagement continues to underpin delivery of the Programme with high levels of consultation and agreement across a wide range of local partners. The ERDF Local Management Committee (LMC) has broad sector representation, including representation at both LMC and sub-committee level from Local Enterprise Partnerships and other local public/private bodies charged with leading local economic development and growth.

Local partners are directly involved in the Managing Authority's selection of projects, through the Performance Management Boards, ensuring ERDF investment is focused on opportunity, demand and the delivery of local ambitions and priorities.

Through these structures and partners, ERDF works with and across real economic geographies to support local economic growth, providing targeted investment to reform and strengthen infrastructure for growth and regeneration.

Section 2.7.2 provides further detail on partnership arrangements.

2.2 COMPLIANCE WITH COMMUNITY LAW

There are currently no issues relating to compliance with Community law which have been encountered to date in the implementation of the Operational Programme.

Interruption to Payments

In May 2013 the European Commission's Interruptions Committee decided to interrupt payments to the 10 English 2007-13 ERDF programmes.

The reason for the interruption was that in the EC's view is that there were "serious deficiencies identified by the English Audit Authority concerning the management verifications and concerning the audit trail."

This was based on two Audit Authority systems audits, the first on Article 13 monitoring arrangements and the second on audit trail of ERDF records transferred to BIS when RDAs were closed. Both audits had a "qualified major" opinion, meaning that there were material weaknesses that need to be addressed but the AA had to follow very explicit guidance from the EC on systems audit reports. The EC relies on the opinion of the Member State's Audit Authority.

Following several exchanges of correspondence during 2013 and the early part of 2014, where the Management Authority complied with requests from the Commission for more information and some assurances around Article 13 verifications, the handling of irregularities and the recording of data on the Management Control Information System, the interruption was lifted in March 2014.

2.3 SIGNIFICANT PROBLEMS ENCOUNTERED AND MEASURES TAKEN TO OVERCOME THEM

Maintaining the pace of compliant programme commitment and spend

A number of projects were delivering below their 2014 spend projections. Underperformance was attributed to reductions in match funding budgets, loss of delivery capacity and risk aversion. The highest level of underperformance and therefore greatest impact on Programme wide delivery was from large scale capital projects, with 12 projects alone responsible for reducing 2014 spend capacity by £32m.

With partner organisations scaling back as a result of the economic downturn, project development capacity in Y&H has diminished. This has inevitably affected the timing and, in some cases, value of project applications coming forward. This has posed inevitable risks to commitment, and ultimately, spend rates.

In response, the Programme Delivery Team maintained engagement with locally-based projects funded by technical assistance to identify and pursue eligible projects that could come forward to absorb the remaining funding headroom and fill key investment gaps for the Programme. It continued to engage cross programme delivery support in the performance of some of the appraisal functions. It also has considered additional contingencies including a rapid response deployment of experienced team members to meet any peaks in workflow.

These measures resulted in a steady flow of commitments throughout the year, and with an accelerated package of spend activity in the critical final quarter.

The Programme was able to both achieve and maintain full commitment and meet its 2014 expenditure target without compromising compliance, aided by the exemption measures associated with one of its major project commitments.

Measures to enhance eligible expenditure levels in compliant claim submissions included:

- strong performance management controls on spend projections and the resolute pursuit of late claimants
- resolving A13 audits to free held-up claims
- finalising contract variations to free held-up claims
- committing to new projects and recycling freed up resource
- maintaining senior level commitment from all partner organisations to increase levels of compliant ERDF spend
- diverting programme delivery team resource towards claims processing

- reverting to monthly (over quarterly) claims to better manage throughput

2.4 CHANGES IN THE CONTEXT OF OPERATIONAL PROGRAMME IMPLEMENTATION

2.4.1 National / Regional policy changes

Regional Growth Fund

The £3.2 billion Regional Growth Fund (RGF) supports eligible projects and programmes that are also raising private sector investment to create economic growth and lasting employment. Selected bidders must draw down their grants between 2011 and 2017.

Rounds 1 to 5 of the RGF have supported 430 projects and programmes across England – allocating £2.9 billion of government support. Projections include the delivery of 573,000 jobs and £16bn private investment by the mid-2020s.

To date companies have drawn down £1bn RGF support, delivering 100,000 jobs and £3bn private investment. Round 6 in 2014 made over £200m available to bidders with 174 bids received and a total ask of £817m.

Round 6 elected bids to be announced early 2015 with successful candidates having until March 2017 to draw down their RGF funding.

Local Enterprise Partnerships

Local Enterprise Partnerships, locally-owned partnerships between local authorities and businesses, and UK government, are key to the Government's objectives of decentralising government and economic growth, whilst also giving local authorities the chance to work together with businesses.

There are four Local Enterprise Partnerships in Yorkshire & the Humber: Leeds City Region, Sheffield City Region, Humber, and York, North Yorkshire and East Riding (YNYER). On ERDF 2014-20, since the sign off of the Partnership Agreement in late 2014, LEPs have been involved of the delivery phase through the design of the phase 1 call prospectus, with a view to release in Spring 2015.

Local Enterprise Partnerships are represented on the ERDF Local management Committee and Programme Management Boards

Growing Places Fund

The Growing Places Fund is supporting key infrastructure projects designed to unlock wider economic growth, create jobs and build houses in England. The Fund provides an opportunity for Local Enterprise Partnerships and Local Authorities to identify, prioritise and deliver the infrastructure they need for growth.

LEPs have received £730m from the Fund in support of 323 specific projects which will help create jobs, homes, commercial floorspace and businesses. £167m (27%)

of the fund allocation has been spent with a projected spend of £220m by March 2015. Expected outcomes include the safeguarding of 13,000 jobs and creation of 640 apprenticeship places. 84% of the Fund has been allocated on a loan only basis, ensuring sustainable revolving funds for reinvestment to unlock further development. £30m (18%) of the £167m spent has been repaid.

Growing Places Fund investment is supporting the South Yorkshire JESSICA fund

Enterprise Zones and Enterprise Areas

24 enterprise zones have been in place since April 2012. They are 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.

To date enterprise zones have attracted over 430 businesses, securing over £2bn private sector investment, housed world class business facilities and transport links and created over 12,500 jobs.

Key enterprise zones activities in Y&H include::

- Siemens and partner Associated British Ports investing £310 million in offshore energy in the Humber Enterprise Zone, creating over 1,000 jobs.
- Sheffield's AMRC Training Centre, a hi-tech partnership between Boeing and the University of Sheffield providing 250 apprenticeships a year to local young people (Sheffield City Region EZ)

2.4.2 National Economic Context

The UK economy (GDP) grew by 2.4 per cent in the first three quarters of 2014, better than The Office of Budget Responsibility (OBR) forecast of 1.9 per cent. Employment growth has also been stronger than expected and the UK unemployment rate has fallen to 6.0 per cent.

OBR considers that the pick-up in growth since early 2013 reflects a cyclical recovery in demand, supported by growing confidence: a pick-up in consumer spending, and an acceleration in business investment and improving credit conditions. But growth has not been accompanied by an improvement in underlying supply potential. That judgement is supported by weak labour productivity, tighter labour market conditions and a fall in the saving ratio, but challenged by the ongoing weakness in wage growth, with the fall in unemployment not yet pushing pay settlements up significantly

On labour market conditions, the unemployment rate has fallen sharply this year, with slack in the labour market being absorbed more quickly than anticipated. Employment rose by 505,000 and the claimant count fell by 23% to 1.0 million between Q4 2013 and Q3 2014.

Wage growth has been slower than expected, with private sector earnings growth in the year to the third quarter of just 1.0%. The weakness in wage growth may be a reflection of the ongoing weakness in productivity growth. But Inflation has also been lower than anticipated, with lower food and oil prices and a stronger exchange rate contributing to the fall in CPI inflation to 1.3% by October 2014. A significant reduction in the world oil price is one contributory factor.

Housing market indicators also continued their upward trajectory: House price inflation reached 12.1% in the year to September 2014, though some levelling off is expected.

However, export performance remained sluggish held back by weak demand from EU countries which make up the larger share of UK exports. UK export markets are expected to grow slightly more slowly than world trade due to the higher weight of slower-growing advanced economies. For example, China makes up around 10 per cent of world trade but only 3.4 per cent of the UK's export markets.

2.4.3 Regional Economic Context

Yorkshire and the Humber continues to face significant socio-economic challenges as the 2007-2013 ERDF programme moves in to its final year. When the Operational Programme was first developed in 2006/7, the assumption was made that the broad economic trend across the UK would not change significantly between 2007 and 2013. However, in 2008 it became clear that this would not be the case with the onset of the global economic downturn which followed the financial crisis.

As such, over the life of the Programme the economic outlook throughout the UK has had to be revised from one of gradual growth to one focussing around repair and recovery. Y&H was particularly badly hit by the crisis as a result of the locality's dependence on its manufacturing and service sectors, which were two of the worst affected by the downturn.

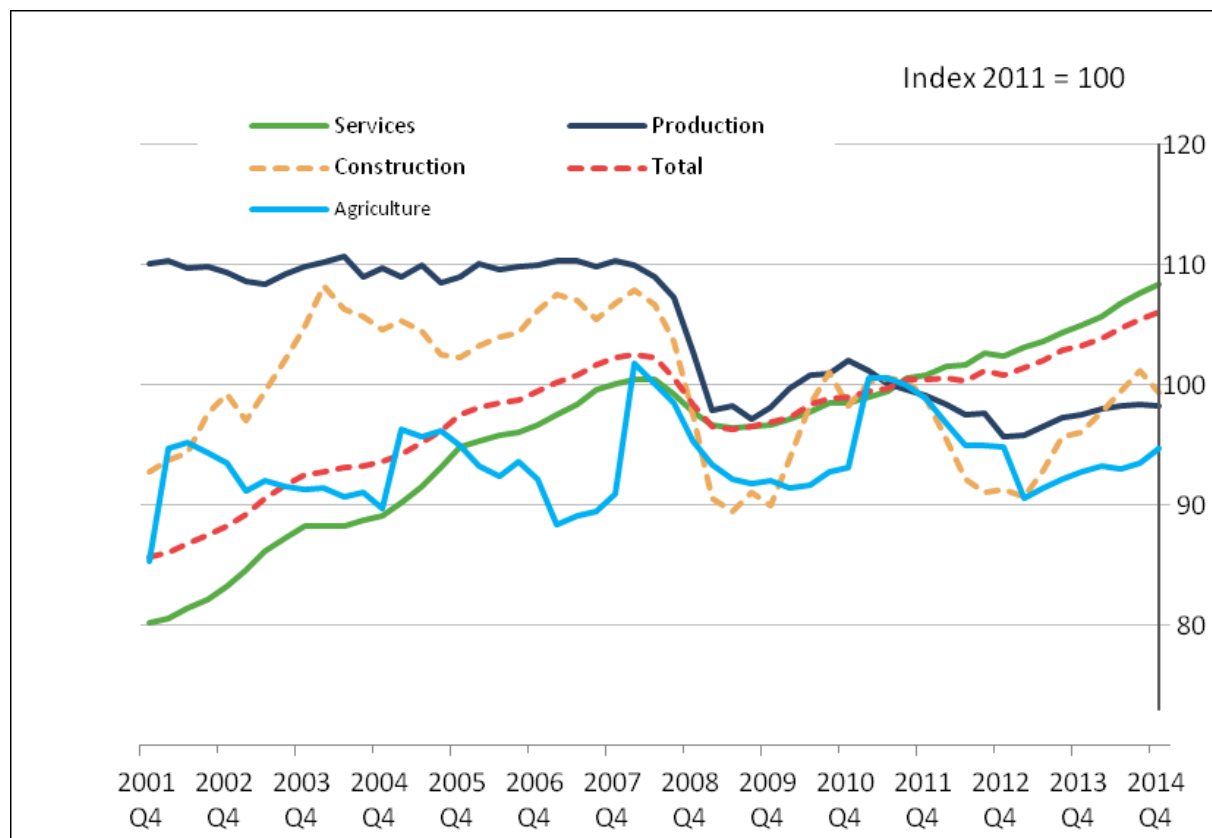
However, it is very encouraging to report improvements in the patterns of employment and business registrations for the year.

Market confidence has fallen throughout 2014, and ended the year below the level recorded in Q4 2013.

In line with falling confidence levels, Y&H businesses have seen the expansion in turnover and sales volumes drop this quarter. Annual turnover growth has fallen to 4.1% from over 5.0% in the previous two quarters. This slowdown is driven in part by weaker domestic demand in the first part of the year, though the region experienced a boost to domestic sales, alongside the build up to and during the Grand Depart of the Tour de France.¹

¹ Institute of Chartered Accountants England and Wales (IACEW)/Grant Thornton UK Business Confidence Monitor (BCM)

Figure 1: GDP and Main Components, 2001-2014²



The Y&H region has several **key industries**³:

- **Biosciences.** Shifting the focus of industry in the region away from fossil fuels and towards advanced methods of harnessing new forms of energy from renewable sources.
- **Low Carbon Industries.** Helping businesses to reduce emissions and boost profits through resource efficiency, the promotion of biorenewables, and the setting of high environmental standards for new developments.
- **Food and Drink.** Includes retail as two of Britain's biggest supermarkets are headquartered in Y&H, but also food processing, such as that which takes place in Kingston-Upon-Hull, and the growing agri-tech sector, which links in with Biosciences.

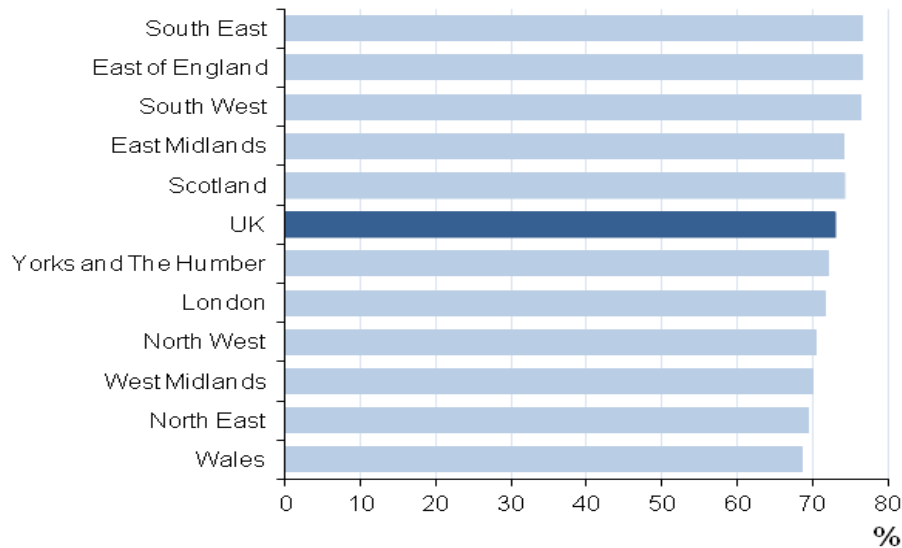
The **employment rate** in Y&H (Aug -Oct 2014) stands at 72.1%, up from 70.8% in 2013 and 0.9% lower than the UK average of 73%. The gap between the Y&H and

² <http://www.ons.gov.uk/ons/rel/gva/gross-domestic-product--preliminary-estimate/q4-2013/stb-gdp-preliminary-estimate--q4-2014t>

³ This information taken from LEP strategies

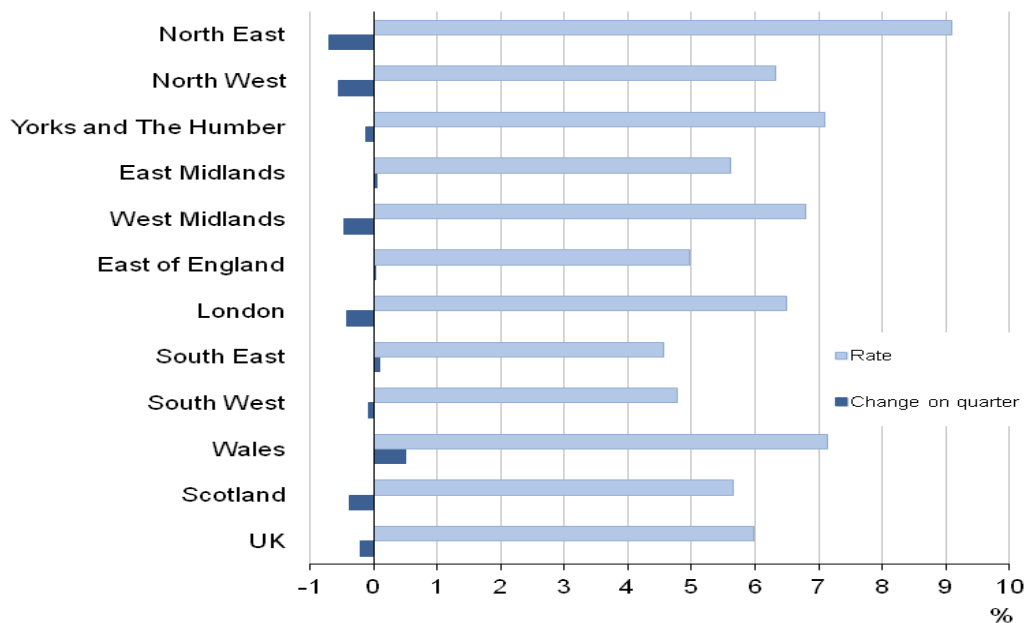
UK figures has remained the same over the 12 month period. This still represents a continuing improvement against the Aug - Oct 2011 peak variance of 2.5%⁴

Figure 4: Employment Rates, August to October 2014, Seasonally Adjusted



Unemployment in Y&H stands at 7.1% (Aug-Oct 2014), a considerable improvement on the 8.9% equivalent for 2013. However, the variance with the UK average has remained largely unchanged at 1.1%⁵

Figure 2: Unemployment Rates, August to October 2014, Seasonally Adjusted



⁴ Labour Force Survey - Office for National Statistics

⁵ Labour Force Survey - Office for National Statistics

Between 2013 and 2014, all regions except Northern Ireland saw an increase in the **number of businesses**, with Y&H experiencing a 3.3 percentage point increase (5,000 businesses) compared with 4.4 for the UK as a whole.

Figure 6: Number of UK VAT and/or PAYE based enterprises by region, 2012 to 2014

Count given to the nearest thousand

	2012 ¹	%	2013	%	2014 ²	%
North East	56	2.6	56	2.6	59	2.6
North West	206	9.6	207	9.5	217	9.6
Yorkshire and The Humber	150	7.0	151	7.0	156	6.9
East Midlands	145	6.7	145	6.7	152	6.7
West Midlands	171	8.0	172	7.9	178	7.9
East	217	10.1	218	10.1	227	10.0
London	360	16.7	372	17.2	401	17.7
South East	338	15.7	340	15.7	353	15.6
South West	201	9.3	201	9.3	207	9.2
Wales	89	4.1	88	4.1	90	4.0
Scotland	150	7.0	151	7.0	157	6.9
Northern Ireland	67	3.1	67	3.1	67	2.9
TOTAL	2,149	100	2,168	100	2,264	100

Table source: Office for National Statistics

Regional GVA (income approach) contribution in Y&H remained constant in 2013, remaining at 6.6% of the UK total for the second successive year, and 80% of the UK average income. A significant challenge therefore still exists in terms of closing the gap between Y&H and the UK average performance..

Figure 7: Regional Gross Value Added (£m) [Income Approach]

	2007	2008	2009	2010	2011	2012	2013 ³
Total GVA							
United Kingdom	1,327,944	1,368,717	1,345,046	1,400,684	1,441,598	1,475,948	1,525,304
North East	41,214	42,229	41,171	42,424	43,731	44,000	45,374
North West	129,014	130,392	131,081	135,507	134,040	136,641	141,620
Yorkshire and The Humber	94,097	94,388	93,490	95,588	97,046	98,928	101,701
East Midlands	78,251	79,919	77,921	82,253	85,111	86,468	88,835
West Midlands	96,917	98,016	94,872	100,208	102,938	106,608	110,246
East of England	115,472	119,363	116,632	121,346	123,075	126,296	130,378
London	273,162	286,296	282,100	295,658	314,906	325,613	338,475
South East	191,438	198,781	195,512	207,028	211,607	220,947	227,232
South West	100,476	102,596	102,483	107,352	107,695	110,267	113,806
England	1,120,041	1,151,980	1,135,262	1,187,364	1,220,147	1,255,768	1,297,667
Wales	46,814	46,533	46,520	47,538	49,665	50,233	52,070
Scotland	103,028	108,130	108,660	108,344	111,535	113,819	117,116
Northern Ireland	31,285	31,180	30,830	31,444	31,961	32,444	32,841

Employment: a local perspective - Barnsley

Barnsley's employment rate of 73.0% is slightly higher than the regional average (72.1%) and is equivalent to 106,500 residents of working age being in employment. Over the year Barnsley's employment rate has increased by 4.9%, and increase bettered only by Doncaster (6.4%) and equivalent to an additional 5,000 residents in employment

This improvement is largely due to the increase in private sector employment patterns (employed & self-employed). Barnsley residents in self-employment increased 14.0%, compared with regional (0.6%) & national levels (5.2%). Only Rydale (80.0%), Craven (45.5%) & East Riding (26.9%) in Y&H recorded a greater increase. Residents in Private Sector employment increased 6.4%, compared with regional (2.9%) & national levels (3.5%). Only Richmondshire (25.0%), Doncaster (12.4%) & East Riding (11.5%) in Y&H recorded greater increases.

A similar pattern has emerged for Full Time and Part Time employment levels.

A reasonable conclusion would be that Barnsley residents are successfully responding to economic growth and are accessing the employment opportunities being created both within and outside the borough. It is a tangible illustration of a positive return on the investments made by programmes and projects to regenerate the Barnsley economy.

2.5 SUBSTANTIAL MODIFICATION UNDER ARTICLE 57 OF REGULATION (EC) 1083/2006

There are no modifications to report for 2014.

2.6 COMPLEMENTARITY WITH OTHER INSTRUMENTS

Co-ordination with other EU instruments is outlined in Chapter 7 of the Operational Programme.

In previous years linkages between regional ERDF and **European Social Fund** programmes were ensured through common representation on the ERDF Programme Monitoring Committee and the ESF Regional Committee. However, at the start of 2011, the Managing Authority for the European Social Fund (the Department for Work and Pensions) disbanded ESF Regional Monitoring Committees. This change was mitigated to a degree in 2011, during the reshaping of the ERDF Programme Monitoring Committee into the Local Management Committee, with specific skills agenda members appointed to ensure that, where possible, the agendas are aligned. The scope for close alignment at the project level remains limited as a consequence of the ESF programme's national focus.

Responsibility for this **Rural Development Programme for England** is with the Department for Environment, Food and Rural Affairs (DEFRA). Liaison arrangements have been established to continue sharing information and to ensure that applicants are suitably signposted. DEFRA receives information and has the opportunity to comment on all ERDF project outline applications.

The Programme's Local Management Committee has an Access to Finance sub-committee which oversees all the projects that are co-financed by the **European Investment Bank**. This sub-committee receives regular reports from the venture capital loan fund supported under the JEREMIE initiative and other financial projects. More information on the sub-committee can be found in section 2.7.2.

2.7 MONITORING STRATEGY

2.7.1 Monitoring projects

Towards the end of 2013 as an outcome from discussions with the Commission on the Payment Interruption on the English programmes a fundamental change to the monitoring strategy was agreed. This would base the frequency of visits on the risk assessment of a project and would generate an audit sample by Programme area using standard criteria. These changes were rolled out for application in 2014. The new approach saw the production of revised work instructions and guidance and the formation of a National Article 13 audit team.

ERDF Projects are subject to audit and verification checks from the date of project approval until programme closure, typically these will be in the form of Article 13 and Article 16 visits but may extend to audits from DG Regio and the European Court of

Auditors. Basing the audit plan on risk ensures that the approach is proportionate for each project.

Article 13 activities

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 delivery teams and a new National ESIF Compliance team was formed. This team operates independently from the GDTs 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 Yorkshire and The Humber Programme, the National ESIF Compliance Team undertook 54 visits. Expenditure totalling £21,999,263 was tested covering claims to the value of £26,674,130, representing 24.6% of expenditure claimed, and an at risk error rate of 17.6% was identified initially, prior to subsequent investigations which will have reduced this rate. In addition a visit took place to each live FEI within the region.

Audits Of Operations (Article 16)

Audits of Operations are undertaken by the Audit Authority in accordance with its audit strategy and sampling method. 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 delivery team, who in turn share with the grant recipient. The ERDF 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.

Most common issues arising from Article 16:

- Procurement errors gave rise to the majority issues, both by frequency and value
- Non-compliance with eligibility criteria
- Inadequate audit trail
- Expenditure calculation errors
- Failure to retain and demonstrate adequate output evidence
- Issues on overhead methodology

In response to procurement issues raised in findings from Article 16 audits of operations, the ERDF 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 delivery team focused on achieving the n+2 target for n+2 2014.

13 Article 16 visits were carried out in 2014.

Table 17 - Article 16 visits during 2014

AA Ref	MCIS Project Ref	Project Applicant	Project Name
AA/YH02/13	090_000000023452	Kirklees Metropolitan Borough Council	Energy Efficiency in Deprived Communities - 904332
AA/YH04/13	090_000000024177	Screen Yorkshire	Creative Yorkshire Content Fund - 904552
AA/YH05/13	090_000000024180	Key Fund Investments Limited	CDFI Finance for SMEs and Social Enterprises (904555)
AA/YH09/13	090_000000024345	The University of Sheffield	AMI - Training Centre - 904662
AA/YH10/13	090_000000022030	Finance Yorkshire Ltd	Regional Venture Capital and Loan Fund - 903739
AA/YH11/13	090_000000024108	Bradford Metropolitan District Council	Supporting and Stimulating Successful Enterprise in Bradford District - 904514
AA/YH12/13	090_000000024223	North Yorkshire County Council	Next Generation North Yorkshire - 904596
AA/YH13/13	090_000000024246	Barnsley Metropolitan Borough Council	Barnsley Cultural Infrastructure - 904608
AA/YH14/13	090_000000024247	Doncaster Metropolitan Borough Council	Doncaster Southern Gateway - 904609
AA/YH15/13	090_000000024303	Wykeland Limited	Humber Bridgehead - 904636
AA/YH16/13	090_000000024341	Doncaster Metropolitan Borough Council	Doncaster Southern Gateway Phase 2 - 904660

AA/YH17/13	090_000000024356	Wakefield Metropolitan District Council	Wakefield Business Support - 904673
AA/YH18/13	090_000000024379	North Lincolnshire Council	North Lincolnshire Broadband - 904696

European Court Of Auditors

In July 2012, the Yorkshire and The Humber ERDF Programme was subject to ECA audit (ECA DAS 2012). The ECA Final Report was received on 26 September 2013. The Managing Authority submitted its final response to DG Regio in October 2014. All findings in relation to three of the eight projects subject to the audit have been closed.

In July 2014 the Court carried out further audit enquiries on the Programme, testing the eligibility and compliance evidence associated with the December 2013 payment declaration. Seven projects were selected for detailed assessment. The interim report is due in early 2015.

2.7.2 Governance

Implementation of, and adherence to, the Programme governance arrangements continued in 2014 with key strategic programme decisions made at Committee and sub-committee level.

Local Management Committee

The Yorkshire and the Humber Local Management Committee, under the chairmanship of Patrick White, (Director Local Government Policy and Productivity) of the managing authority (DCLG) met once in 2014 to maintain a focus on ensuring the Programme met its strategic aims and targets:

Membership of Local Management Committee

In 2014 there were a no changes to the membership of the Local Management Committee, It was agreed that the two vacant positions would remain unfilled due to the Programme being close to its end.

Table 18 - Membership of the Local Management Committee

Membership	Nominated by	Name	Organisation
Managing Authority	As per implementing provisions	Patrick White	Department for Communities and Local Government
Performance Management Boards (sub-committees)	As per implementing provisions	1. Colin Mellors (Yorkshire and Humber – excluding South Yorkshire)	University of York

Membership	Nominated by	Name	Organisation
		2. John Mothersole (South Yorkshire)	Sheffield City Council
Advisor from the European Commission	As per implementing provisions	Linda Sproge	Directorate General Regional Policy
Local Enterprise Partnerships	Sheffield City Region Local Enterprise Partnership	Councillor Roger Stone OBE	Rotherham Council
	Sheffield City Region Local Enterprise Partnership	Richard Wright	Sheffield Chamber of Commerce
	York & North Yorkshire Local Enterprise Partnership	James Farrar	York & North Yorkshire Local Enterprise Partnership
	York & North Yorkshire Local Enterprise Partnership	Vacant	York & North Yorkshire Local Enterprise Partnership
	Humber Local Enterprise Partnership	Simon Driver	North Lincolnshire Council
	Humber Local Enterprise Partnership	Richard Kendall	Humber Local Enterprise Partnership
	Leeds City Region LEP	Councillor James Alexander	York City Council
	Leeds City Region LEP/ Private Sector	Vacant	
Private Sector	Federation of Small Businesses	Chris Longley (Deputy - Lyndsey Whitaker)	Federation of Small Businesses
Trade Unions	Regional Trades Union Congress	John Lewis	Regional Trades Union Congress
Higher Education	Yorkshire Universities	Lloyd Snellgrove	Sheffield Hallam University
	Yorkshire Universities	Ian Rowe	Yorkshire Universities
Voluntary	Involve Yorkshire	Judy Robinson	Involve Yorkshire
	Involve Yorkshire		
Environment Agency	Environment Agency	David Dangerfield	Environment Agency Regional Director

Membership	Nominated by	Name	Organisation
Equalities & Diversity	Cross Cutting sub-committee		
Department for Business Innovation and Skills	Department for Business Innovation and Skills	Isobel Mills	Department for Business Innovation and Skills Local
Homes & Communities/ Access to Finance	Homes & Communities Agency	Rob Pearson	Homes & Communities Agency
Skills	Sheffield and Leeds City Region Local Enterprise Partnership Skills Boards		
Managing Authority	As per implementing provisions	Lesley Calder	Department for Communities and Local Government

Access to Finance Sub-Committee

The Access to Finance sub-committee met three times in 2014 on 19 March, 23 May and 23 October 2014. Membership is shown at **Table 19**.

Table 19 - Access to Finance Sub-Committee

Name	Representing
Rob Pearson (Chair)	Homes & Communities Agency (HCA)
Colin Mellors	Rest of Region PMB
Richard Wright	Sheffield City Region/Private Sector
Peggy Haywood	ERDF Programme Delivery Team

Performance Management Boards

The two Performance Management Boards met once in 2014 but the role of overseeing and monitoring performance was not diminished, with updates to members and letters issued on behalf of the Performance Management Boards addressing performance issues on spend. The Yorkshire and Humber (excluding South Yorkshire) Board met once 19 March 2014 and the South Yorkshire Board met once on 4 March 2014.

Yorkshire and Humber (excluding South Yorkshire) Performance Management Board

Membership of the Yorkshire and Humber (excluding South Yorkshire) Performance Management Board at the start of 2014 is shown in **Table 20**

Table 20 - Yorkshire and Humber (excluding South Yorkshire) Performance Management Board

Name	Role	Representing
Professor Colin Mellors (Chair)	Pro- Vice-Chancellor	Universities
James Farrar	Chief Operating Officer	York and North Yorkshire Local Enterprise Partnership
Rob Norreys	Head of Regional Policy	Leeds City Region Local Enterprise Partnership
Mark Jones	Head of Economic Development and Regeneration	Hull and Humber
Cllr Derek Bastiman	Councillor	North Yorkshire (Scarborough Council)
Dave Moss	Strategic Implementation Manager	West Yorkshire Councils (Bradford Council)
Melissa Lockwood	REP Manager	Environment Agency & Cross Cutting Themes Environmental Champion
Vacant		Private Sector
Vacant		Third Sector

In 2014 there were no membership changes to the Rest of Region Performance Management Board.

South Yorkshire Performance Management Board

The membership at the beginning of 2014 for the South Yorkshire Performance Management Board is shown in **Table 21**.

Table 21 - South Yorkshire Performance Management Board

Name	Position	Representing
John Mothersole (Chair)	Chief Executive Sheffield City Council	Local Authorities
Sarah Fulton	Director of Research and Innovation Services, University of Sheffield	Higher Education

Mark Bell	Barnsley Council	Local Authorities
Christian Foster	Doncaster Metropolitan Borough Council	Local Authorities
Martin Kimber	Chief Executive Rotherham Metropolitan Borough Council	Local Authorities
Julie Hurley	South Yorkshire Passenger Transport Executive	Transport
Keith Dodson	Voluntary Action Rotherham	Voluntary Sector
Ben Still	Director	Sheffield City Region
		Environment Agency
Vacant	Vacant	Private Sector

Keith Dodson, who represented the Voluntary Sector resigned from his position in January 2014. The board did not seek to find a new Voluntary Sector member given that the programme was moving towards closure phase.

Chapter 3: IMPLEMENTATION BY PRIORITY

3.0.1 IMPLEMENTATION ARRANGEMENTS FOR THE PRIORITY

The Programme maintained the project development process set out in the 2007 investment framework for the Programme, as modified in 2011:

- Issue of Priority prospectus/call for projects
- Outline business plan
- Full business plan
- Appraisal
- Contract

Call for Proposals – No calls for bids were made in 2014. There was sufficient demand for the unallocated resource in the pipeline to ensure full commitment was capable of being achieved and maintained.

3.0.2 CUMULATIVE EXPENDITURE BY FINANCIAL ALLOCATION

Table 22 – Cumulative ERDF Expenditure (claims declared in aggregate claims)

Priority	South Yorkshire (Phasing In)	Yorkshire & the Humber (excluding South Yorkshire)	Total
Priority 1	€45,523,675	€35,342,752	€80,866,427
Priority 2	€66,357,683	€105,629,064	€171,986,747
Priority 3	€39,316,292	€51,163,062	€90,479,354
Priority 4	€63,379,357	-	€63,379,357
Priority 5	€4,008,309	€3,359,764	€7,368,073
Total	€218,585,318	€195,494,643	€414,079,961

3.0.3 PROGRAMME OVERVIEW

In 2014:

- 22 new funding agreements were issued bringing the total number of contracted projects to 161
- €59.9m (£50.9m) of ERDF was legally committed in year, taking total legal commitments to €598.2m (£508.6m) or 102% of the Programme
- €463.6m (£388.6m) of cumulative declarations were made to the Commission in response to claims made, taking the overall declaration total to 79% of total allocation

Priority 1 : Promoting Innovation and R & D secured two investments from the 2013 call as funds became available, totalling £10.3m (€12.2m) ERDF. At the year end Priority 1 phasing in area (SY) was 117% committed and the non-phasing in 101%. The Programme delivery team will manage commitments within the required tolerances.

Steady progress has been made against each of the key indicators, in particular aid to SMEs, floorspace and increased GVA targets.

Priority 2 : Supporting and Stimulating Successful Enterprise continued to support the move towards knowledge intensive economic growth in Yorkshire and the Humber. The priority is increasing the number of businesses in key clusters and sectors, by supporting high value added businesses, while also continuing to encourage a more entrepreneurial culture. In 2014 fourteen new projects were contracted with a total value of £32.8m (€38.1m) ERDF. Priority 2 phasing in area (SY) was 106% committed and the non-phasing in 101%. Commitments will be managed within the required tolerances.

Excellent progress has been made against key indicators, with SME assists, job created and safeguarded and increase in GVA outcomes all exceeded .

Priority 3 : Sustainable Communities continued to deliver local regeneration, growth and jobs. Two new projects were contracted in 2014 with a total value of £1.3m (€1.6m) ERDF. At the year end the priority was fully committed.

The position on outputs and results achieved in Priority 3 is very strong, with SME assists, business creations, jobs created and safeguarded all exceeded. The floorspace target is close to being met.

Priority 4 : Economic Infrastructure for a Competitive Economy focuses on the delivery of local infrastructure regeneration. Three new projects have been contracted in 2014 with a value of £4.9m (€5.7m) ERDF. At the year end the priority was 117% committed. This overcommitment situation will be managed to within the acceptable tolerances.

Delivery against outcomes remains a challenge, with 21% of floorspace secured, despite the reduction in target aspiration following the 2012 programme modification. The need to invest in gateways and transport infrastructure has impacted on the available budget for floorspace.

3.1 PRIORITY 1: PROMOTING INNOVATION AND RESEARCH AND DEVELOPMENT

Objectives

1. To stimulate and facilitate knowledge and technology transfer, increased investment in innovation and R&D, engender a culture change and promote sustainable business practices

2. To build, and commercially exploit the research, technological development and innovation capacity of the region whilst ensuring the social, environmental and economic conditions are improved
3. To increase and support the exploitation and commercialisation of new technologies and processes that underpin the future sustainability and growth of new and existing businesses and target clusters

3.1.1 Achievement of targets and analysis of progress

Priority 1 contracted two projects in 2014 as set out at table 23 below. The two projects arose from the 2013 call – taken from the reserve list and were contracted as Priority 1 resources became available via exchange rate fluctuations, project under-performance and the movement of unspent ERDF resources from other Priorities.

Table 23 - New contracted projects in 2014

Priority 1 Promoting Innovation and R&D				
Project	Delivery Organisation	Contract date	ERDF (£)	ERDF (€)
Graduate Spark Yorkshire and Humberside	Teesside University	07/10/14	300,616	345,922.14
AMRC Factory 2050	The University of Sheffield	13/11/14	10,000,000	11,870,405.68
		Total	£10,300,616	€12,216,327.82

The **Graduate Spark project** will provide regional business support to YH SMEs by matching specialist graduates with employment opportunities and aligning them with regional companies on a placement and knowledge exchange basis for 26 weeks. It aims to secure a trade off in terms of developing leadership and management potential alongside innovation and product and process development.

The **Factory 2050 project** will build the UK's first fully reconfigurable assembly and component manufacturing demonstrator facility for a total cost of £20m (£10m ERDF). The facility will be available for SMEs to test and proto type production runs, including Just in Time manufacturing processes and lean production methods, making them more competitive, future resilient and sustainable

Outputs and results were revised in 2013 to better reflect operational experience, the prevailing economic conditions and the balance of activity in Priority 1.

Summarising indicator performance as set out in Tables 26 and 27:

– number of SMEs assisted (including direct aid to SMEs) stands at 88%. It is fully expected that the target will be achieved within Programme period.

- new or upgraded floorspace is at 87% of target and should be achieved in full
- businesses created is weaker at 22%, a reflection of investment choices being made to support and strengthen existing businesses through the economic downturn
- gross new jobs created ended the year at 38% of target
- jobs safeguarded has reached 76%
- gross increase in GVA reached 37%

Performance against the above jobs and GVA indicators again suggest a greater emphasis on supporting investments which focus on sustaining the position of YH businesses in the market place over securing significant growth.

3.1.2 Significant problems encountered and measures taken to overcome them

Delivery of results

Although performance against key result indicators showed significant progress in 2014 relative to previous years, the pace of achievements and reporting remains challenging for Priority 1 projects – however we remain confident of achieving Programme targets

To address the minor under-performance, the ERDF Delivery Team has:

- re-aligned the Operational targets to reflect operational experience, the difficult socio-economic environment and the balance of activity within Priority 1 – this was agreed by the Commission in 2013.
- issued revised indicator guidance to grant recipients to ensure that definitions are clear and that the evidence requirements are clearly articulated, achievable and realistic while retaining a robust trial for audit purposes.
- Given support and guidance to grant recipient organisations who continue to experience challenges regarding output delivery, capture and reporting of outputs.
- negotiated and formally issued time extensions for projects, to ensure the grant recipient has the time and ability to enable them to collect outputs and results beyond their original timescales.

3.1.3 Cross-cutting themes

Environmental

Priority 1 continues to make a significant contribution to the environmental objectives of the Programme through a range of actions.

- **Product Developments** – Product improvements, either through more sophisticated use of materials or better design, often lead to positive environmental impacts through lower resource use and transport requirements. For example, the **Advanced Manufacturing Institute – Design, Prototyping and Test Centre** can offer support to a businesses that

could lead to components that are smaller, longer lasting or made from more sustainable materials.

- **Process efficiencies** – Projects such as **Innovation Futures 2** and **Mercury** can identify where processes can be completed using less resources or in a shorter timeframe. This consistently leads to lower energy and materials use, reducing environmental impacts.
- **Waste processing – Waste Valorisation** and the **Biorenewables Development Centre** reduce the negative environmental impacts associated with transporting and disposing of waste through extraction or conversion processes that produce useful products from waste.
- **Sustainable construction** – Capital facilities within the priority look to ensure that environmental best practice is a fundamental principle of the building design. For example, the **Bradford Sustainability Centre** has used recycled or sustainable materials, been designed to consider natural ventilation and temperature control and aims to minimise energy use throughout. The **Nuclear Advanced Manufacturing Research Centre, Knowledge Transfer Centre**, and **Advanced Manufacturing Institute – Design, Prototyping and Test Centre**, all on the Advanced Manufacturing Park in Rotherham, will use energy generation on site from wind turbines to significantly reduce their carbon footprint.
- **Renewable Energy Generation – Energy Works** will use pioneering technology to produce energy recovered from waste. This will not only provide green energy but also reduce the environmental impacts of waste transportation and divert waste from landfill.

Where appropriate, targets for environmental businesses supported, jobs created in environmental sectors and number of buildings with a BREEAM rating of 'Good' or above have been included in project contracts.

Equalities

All Priority 1 projects are encouraged to include objectives to encourage engagement with BAME and women. Although challenging as most projects are demand-led, contracts include targets for jobs created/safeguarded for women/BAME where appropriate.

3.1.5 Financial Performance

Table 24 – Priority 1 Yorkshire and the Humber (excluding South Yorkshire) financial performance

Priority 1 RoR	ERDF		Match		Total		Int Rate
	£	€	£	€	£	€	
RoR Priority 1 total allocation	57,621,603	69,243,880	34,623,921	41,607,566	92,245,524	110,851,446	62.47%
Total committed	58,053,224	69,721,165	41,369,871	48,753,183	99,423,095	117,268,882	58.39%
Current % committed	101%		119%		108%		
RoR allocation remaining	-431,621	-477,285					
Pipeline proposals	-	-					
% potential commitment	To be managed in budget						

Table 25 – Priority 1 South Yorkshire financial performance

Priority 1 SY	ERDF		Match		Total		Int Rate
	£	€	£	€	£	€	
SY Priority 1 total allocation	41,500,877	49,871,604	41,500,877	49,871,604	83,001,754	99,743,208	50.00%
Total committed	48,597,576	57,306,554	58,052,512	68,949,651	106,650,088	126,256,206	45.39%
Current % committed	117%		139%		128%		
SY allocation remaining	-7,096,699	-7,434,950					
Pipeline proposals	-	-					
% potential commitment	To be managed in budget						

3.1.6 Indicator Performance
Table 26

Priority 1 Promoting Innovation and R&D South Yorkshire 'Phasing in'											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Number of businesses assisted that are SMEs	Achievement	0	0	0	189	262	131	42	177	0	801
	Target	-	-	-	-	-	-	-	-	-	662
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of projects (direct aid to SMEs - ERDF 7)	Achievement	0	0	0	0	0	12	5	9	0	26
	Target	-	-	-	-	-	-	-	-	-	82
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of RTD projects (ERDF 4)	Achievement	0	0	0	164	223	17	25	89	0	518
	Target	-	-	-	-	-	-	-	-	-	580
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of RTD projects including number of co-operation project enterprises - research institutions (ERDF 5)	Achievement	0	0	0	165	221	0	0	0	0	386
	Target	-	-	-	-	-	-	-	-	-	452
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace (m ²)	Achievement	0	0	0	0	0	12,112	0	13,427	0	25,539
	Target	-	-	-	-	-	-	-	-	-	19,462
	Baseline	-	-	-	-	-	-	-	-	-	-
Low or zero carbon employment sites developed (Ha)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1.30
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of renewable energy technology systems installed	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	22
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of new	Achievement	0	0	0	0	0	5	1	1	0	7

businesses created (ERDF 8)	Target	-	-	-	-	-	-	-	-	-	35
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross new jobs created (ERDF 1, 2 & 3)	Achievement	0	0	0	0	6	38	164	67	0	275
	Target	-	-	-	-	-	-	-	-	-	412
	Baseline	-	-	-	-	-	-	-	-	-	-
Research jobs created (ERDF 8)	Achievement	0	0	0	0	0	7	20	45	0	72
	Target	-	-	-	-	-	-	-	-	-	Tbc - 0
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross jobs safeguarded	Achievement	0	0	0	0	92	54	37	223	0	406
	Target	-	-	-	-	-	-	-	-	-	431
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross increase in GVA (£m)	Achievement	0	0	0	0	0.3	1.8	14.1	6.9	0	23.1
	Target	-	-	-	-	-	-	-	-	-	43.7
	Baseline	-	-	-	-	-	-	-	-	-	-
Net start-up businesses created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	18
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	280
	Baseline	-	-	-	-	-	-	-	-	-	-
Net additional GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	29.9
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	292
	Baseline	-	-	-	-	-	-	-	-	-	-
Net safeguarded GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	7.2

	Baseline	-	-	-	-	-	-	-	-	-	-
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Table 27

Priority 1 – Promoting Innovation and R&D Rest of Region (excluding South Yorkshire)											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Number of businesses assisted that are SMEs	Achievement	0	0	0	126	155	79	37	289	0	686
	Target	-	-	-	-	-	-	-	-	-	905
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of projects (direct aid to SMEs - ERDF 7)	Achievement	0	0	0	0	0	5	18	133	0	156
	Target	-	-	-	-	-	-	-	-	-	247
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of RTD projects	Achievement	0	0	0	123	129	21	11	214	0	498
	Target	-	-	-	-	-	-	-	-	-	658
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of RTD projects including number of co-operation project enterprises - research institutions (ERDF 5)	Achievement	0	0	0	98	115	0	0	60	0	273
	Target	-	-	-	-	-	-	-	-	-	349
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace (m ²)	Achievement	0	0	0	0	0	0	3,617	3,531	0	7,148
	Target	-	-	-	-	-	-	-	-	-	18,275
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of renewable energy technology systems installed	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of new businesses created (ERDF 8)	Achievement	0	0	0	0	0	6	3	4	0	13
	Target	-	-	-	-	-	-	-	-	-	54
	Baseline	-	-	-	-	-	-	-	-	-	-

Gross new jobs created (ERDF 1, 2 & 3)	Achievement	0	0	0	0	1	28.2	17.8	48	0	95
	Target	-	-	-	-	-	-	-	-	-	560
	Baseline	-	-	-	-	-	-	-	-	-	-
Research jobs created (ERDF 8)	Achievement	0	0	0	0	0	0	2	3	0	5
	Target	-	-	-	-	-	-	-	-	-	Tbc - 0
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross jobs safeguarded	Achievement	0	0	0	0	122	57	148.5	162	0	489
	Target	-	-	-	-	-	-	-	-	-	749
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross increase in GVA (£m)	Achievement	0	0	0	0	0.1	7.6	1.0	9.0	0	17.7
	Target	-	-	-	-	-	-	-	-	-	65.4
	Baseline	-	-	-	-	-	-	-	-	-	-
MW of renewable energy capacity installed	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	25.25
	Baseline	-	-	-	-	-	-	-	-	-	-
Net start-up businesses created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	28
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	383
	Baseline	-	-	-	-	-	-	-	-	-	-
Net additional GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	47.6
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	510
	Baseline	-	-	-	-	-	-	-	-	-	-
Net safeguarded GVA	Achievement	0	0	0	0	0	0	0	0	0	0

(£m)	Target	-	-	-	-	-	-	-	-	-	-	11.6
	Baseline	-	-	-	-	-	-	-	-	-	-	-

3.2 PRIORITY 2: SUPPORTING AND STIMULATING SUCCESSFUL ENTERPRISE

Objectives

1. To establish integrated business support for innovative and high growth businesses which enables them to grow more quickly
2. To promote a more enterprising and entrepreneurial culture and support the growth of businesses at start-up and early stage and those with growth potential
3. To promote the development of new and high technology clusters and sectors through investment in infrastructure
4. To ensure that business growth supported by the Programme takes account of CO² emissions and adopt environmental best practice

3.2.1 Achievements of targets and analysis of progress

Table 28 – Projects contracted in 2014

Priority 2 Supporting and Stimulating Successful Enterprise				
Project	Delivery Organisation	Contract date	ERDF (£)	ERDF (€)
MAS Yorkshire and the Humber SY	PERA Consulting (UK) Ltd	28/01/2014	610,887	722,304
MAS Yorkshire and the Humber RoR	PERA Consulting (UK) Ltd	28/01/2014	664,976	792,012
Sheffield Core Office Provision (3 St Pauls Place)	CTP (Wakefield) Limited	30/01/2014	6,863,672	8,076,391
Capitol Park, Thorne, Doncaster	Street Developments (no1) Limited	19/02/2014	6,451,617	7,630,345
CD4I	Watergate Developments Limited	10/03/2014	4,114,101	4,734,141
Fountain Court Podworks	Workpods Limited	20/05/14	1,500,000	1,786,979
Robin Hood Airport	Bennell Limited	30/06/2014	1,488,333	1,712,641
Tower House	Motorhog Holdings Limited	27/06/2014	1,575,981	1,835,034
Kingston Parklands	Stoneferry Estates Limited	25/06/2014	2,539,169	2,921,849
Bullrush Grove, First Point, Doncaster	Carnell Management Services Limited	27/06/2014	1,429,379	1,664,348
Vantage Riverside Sheffield	Ernest V Waddington Limited	27/06/2014	1,098,559	1,282,348

Sowerby Bridge Copley Valley (SBCV)	The Borough Council of Calderdale	30/06/2014	2,202,491	2,558,634
Advanced Manufacturing Park, Waverley	Harworth Estates Investments Limited	30/10/2014	1,154,335	1,364,499
South Kirby Green Business Park	Marshall Construction (West Yorkshire) Limited	30/01/2014	1,060,790	1,239,289
Total			£32,778,222	€38,081,530

Priority 2 continues to support the move towards knowledge intensive economic growth in Yorkshire and the Humber. The priority is increasing the number of businesses in key clusters and sectors, by supporting high value added businesses, while also continuing to encourage a more entrepreneurial culture. In 2014 fourteen new projects have been contracted with a total value of €38.1m (£32.8m) ERDF.

Priority 2 phasing in area (SY) was 106% committed and the non-phasing in 101%. Commitments will be managed within the allowable tolerances.

The Managing Authority has worked with a number of existing grant beneficiaries to extend the delivery period of business support activities, or introduce additional activity within the scope of the existing projects in the interest of supporting local economic growth. Priority 2 has contributed towards the revival of local SMEs and improvement in the unemployment figures.

Significant inroads into business start-ups and employment levels, have been made by The Enterprising Barnsley, Priority 2 funded project, the grant recipient Barnsley Metropolitan Borough Council, provides bespoke business support via business coaches to local entrepreneurs and business.

Priority 2 investments will provide a mixture of managed workspace, from incubation to grow-on expansion size units and quality city based office space, laying the foundations for sustainable economic and business growth post programme completion. Its broadband projects will continue to deliver access to broadband internet services for rural businesses ensuring they are engaged and able to complete and become more competitive. The ERDF support is pivotal to ensure areas that suffer market failure and deficiencies in broadband services will be serviced with high quality bandwidth services.

Summarising indicator performance as set out in Tables 31 and 32:

- number of SMEs assisted (direct aid to SMEs) has exceeded the Priority target at 111%.
- new or upgraded floorspace is comparatively weak at 23% and achievement in full will be difficult
- businesses created is quite strong at 60% despite the time lag on output verification (12 months in operation)
- gross new jobs created ended the year at 201% of target
- jobs safeguarded has reached 299% of target
- gross increase in GVA reached 112%

3.2.2 Significant problems encountered and measures taken to overcome them

Previous annual reports have highlighted the effects of public sector restructuring and austerity measures on investments. For example the caution displayed by local authorities where budget constraints impact on year on year match funding security.

Other, less restrictive national funding streams have also proved more attractive to potential beneficiaries eg Region Growth Funds.

The Managing Authority continues to seek to overcome these constraints by supporting beneficiaries through to investment and allowing some reasonable, though compliant flexibility during the delivery phase.

Private sector led capital projects continue to experience difficulties in meeting the stringent ERDF regulations including procurement compliance. The managing Authority has provided ongoing support and guidance up to the point of investment and beyond.

The problem of stalled projects has generally been solved, with deadlines for applicant responses being set more often. In addition, the pipeline of projects coming through has now dried up as the programme moves into closure.

The programmes focus moving into 2015 will be on securing a return on investment and the orderly closure of projects.

3.2.3 Project highlights 2014

The Humber Bridgehead is a new Business Park on the western edge of Hull overlooking the world famous Humber Bridge. The project involves the site servicing (infrastructure, utilities, landscaping etc) of 21.11 ha of land to provide a prestige business park in a premium location to cater for demand arising from businesses providing professional, technical and scientific services to the renewable and low carbon energy sectors on both banks of the Humber. The project is being delivered by Wykeland Properties Ltd a subsidiary of the Wykeland Group Ltd. They are an established local property developer who have developed a biodiversity strategy in partnership with Yorkshire Wildlife Trust who will be managing the strategy. There will also be a sustainable drainage system and sustainable travel initiative. Humber Bridgehead will be one of the UK's greenest business parks, enabling businesses to exist side-by-side with the natural environment.

In total the ERDF investment will deliver 3,392 sq m floorspace capable of accommodating 212 jobs (eco-efficient/BREEAM Very Good), and 840 m3 of flood storage capacity. Indirect delivery, enabled by the project, includes a further 53,066 sq m of business space, capable of accommodating 3,335 jobs. The total project cost is £13.5m with an ERDF investment of £4m

Phase 1 of the infrastructure is complete, as is the first speculative office. The first office has created 1,629 sq m of BREEAM Very Good floorspace, with a local company creating 12 new jobs when it moved in to the new office just before Christmas 2014.

The Beacon is a new Business Park in Hull supported by £3m ERDF investment in a £8m private sector led development. The one hectare park is designed to accommodate SMEs in Bioscience, Environmental and Healthcare Technology. It will comprise of three high quality detached units totalling some 4,642sq m over three levels. The project is being delivered by a local development company that specialises in creating innovative property solutions, with almost 50 years of experience.

By December 2013 the first unit was complete delivering of 1,749 sq m high quality business targeted floor space to a BREEAM Very Good standard. In early 2014 a tenant leased the whole building to expand their Healthcare business, combining their staff into one new office, which will make for more efficient working and provide additional space for the planned increase in the work force.

The Beacon also awarded the second construction contract in November 2013 for the second office. Construction started in early 2014 and was completed on schedule by September 2014. Office Two is smaller than office one at 1,275 sq m, but is of the same high quality, all the offices will achieve a “Very Good” BREEAM score.

The construction contract for the third office was awarded in July 2014 and is scheduled for completion by March 2015.

Due to the success of the Beacon, additional ERDF funding was awarded for a further two offices on the site, both due for completion by September 2015. This has increase the ERDF investment to £4.3m from a £11.8m development.

3.2.4 Financial Engineering Instruments

Priority 2 has invested ERDF in three financial engineering instruments: a venture capital and loan fund- Finance Yorkshire that has been brought forward under the JEREMIE initiative, an Urban Development Fund, the Sheffield City Region JESSICA Fund and a co-investment fund targeting the media and digital industries, the Yorkshire Content Fund.

JEREMIE

The **Yorkshire and Humber Regional Venture Capital Loan Fund (VCLF)** managed by Finance Yorkshire Limited was originally a €102.4m (£90m) Fund of Funds comprised of €32.9m (£30m) ERDF alongside €16.49m (£15m) other public

and €49.49m (£45m) bank finance from the European Investment Bank (EIB) through the JEREMIE initiative.

ERDF and Single Programme funding was paid to Finance Yorkshire to establish the Fund at the start of the project (December 2009) and are matched with EIB finance at the point of drawing down funds to make an investment. Interest from the grant funding, income from the investments made and a further €10.99m (£10m) revenue grant cover the operational and holding company costs (including supporting payments to the EIB).

Finance Yorkshire comprises three funds:

- Seedcorn Fund
- Business Loans Fund
- Equity Fund

Each fund is managed by a product fund manager who is regulated by the Financial Services Authority (FSA).

A contract variation was executed in November 2014, to increase the value of the VCLF to €118.81m (£103m), the ERDF contribution was increased by €8.838m (£7m) and the public matchfunding was increased by €7.57m (£6m). The duration of the project was extended until 31st December 2015. The total funds for investment are total €118.22m (£102.529m) with the operational programme contributing €0.594m (£0.472m) to management costs. The management costs will be claimed in 2015.

As of 31st December 2014, the fund had invested €102.4m (£90m) achieving the end of 2014 target.

Examples of investments include:

A seedcorn investment of €630k £520k into the York based OptiBiotix Health supported the company in the development of its programmes and studies into products to tackle obesity, high cholesterol and diabetes with the potential to improve lives worldwide. The company has raised £3.3m via the reverse takeover on AIM and is using the funds to develop the intellectual property of OptiBiotix Health, to commercialise OptiBiotix products and for general working capital purposes.

Cultivating Solutions, a company providing arable farmers with solutions to field cultivation problems is set for expansion following a €91k (£75k) business loan to develop a new cultivating drill to enhance accuracy and efficiency of its cultivation equipment.

A specialist digital publisher is set to break into a new global market following a second Equity Linked investment of €485k (£400k), Leeds-based GSE Research, and its publishing arm Greenleaf Publishing, gathers and disseminates research and best practice in the fields of Governance, Sustainability, CSR and Environmental Management. Its online portals drive interaction and engagement among academics, policy-makers and the corporate world.

JESSICA

A contract with the South Yorkshire Property Company Ltd (a Special Purpose Vehicle established by Sheffield City Region on behalf of the Local Enterprise Partnership) was approved on 19th October 2012. The Sheffield City Region Jessica fund is a €29m (£23.2m) Urban Development Fund made up of €18.75m (£15.2m) ERDF and €10m (£8.1m) match funding from the Department for Communities and Local Government's Growing Places Fund. It targets investment at key urban property and infrastructure development and will provide debt finance (but also potentially make equity investments and guarantees) in early stage urban development projects.

As of 31st December 2014, the fund had 4 legal agreements for a value of €11.167m (£8.97m) ERDF; and paid investments of €3.5m (£2.8m).

The project has a strong pipeline of projects which are progressing through legals. The project forecasts full investment by 31st December 2015.

Yorkshire Content Fund

Screen Yorkshire Ltd. were contracted in February 2012 to deliver the €17.95m (£15m) Yorkshire Content Fund, investing in the production of 'content' i.e. film, TV and games. The Fund has been established as a co-investment fund with €8.97m (£7.5m) ERDF and €8.97m (£7.5m) private sector investment matched on a deal by deal basis. The fund is to be fully invested by December 2014. The project claims ERDF from the Managing Authority on a defrayal basis.

In April 2014 a contract variation was approved which increased the fund value to €35.9m (£30m), and extended the project completion date to 31st December 2015.

As of 31st December 2014 €11.8m (£9.68m) ERDF had been invested in 23 productions, against an investment profile of €11.69m (£9.59m) an overachievement of 0.9%.

Examples of investments made in 2014 include:

Testament of Youth received €696k (£575k) ERDF investment, the memoir of Vera Britton, follows the story of Vera and a group of university friends through WWI. The film had its world premiere at the BFI London Film Festival

The Hunter's Prayer, a £25m budget, fast paced thriller filmed across Yorkshire in Autumn 2014, received an investment of €1.57m (£1.3m) ERDF. The film was the largest production brought to Yorkshire to date.

€725k (£600k) ERDF was invested in '**A Royal Night Out**' which saw the streets of East Hull portraying period London. The story was inspired by untold story of the

celebrations of May 8, 1945, VE Night from the perspective of princesses Elizabeth and Margaret.

3.2.5 Cross-Cutting Themes

Examples of how Priority 2 investments directly support the cross cutting themes of the Programme include:

The major delivery vehicle for Objective 4 of the priority is **Lower Carbon Economy – Resource Efficiency Yorkshire**. Delivered by CO2Sense, this pan-regional project is working to ensure that business growth takes account of CO² emissions and businesses adopt environmental best practice. This project has been very successful in delivering business growth through environmental advice and direct grants to companies.

- CO2 Sense invested €721,020 (£600,000) in Clayton Hall Farm Biogas to support the development of an anaerobic digestion facility which will process a total of 10,000 tonnes of food waste and energy crops per year, generating 3,150MW of clean electricity. This will power 650 homes, saving 30,000 tonnes of carbon dioxide over the next ten years, and generating a new income stream for the farm.
- €240,340 (£200,000) was invested in a hydroelectric plant on the River Wharfe, in West Yorkshire, situated in a renovated 19th century mill. A 329kW turbine will generate 1,400 MWh of electricity each year, enough to power 310 homes, and income generated will be invested in further renewable projects.
- Carlshead Farm, near Wetherby, received a €40,858 (£34,000) investment to fund a new biomass boiler system to heat the farm's business centre and farm houses. As well as saving the business €15,622 (£13,000) on fuel each year, the boiler will create extra income and cut carbon emission by almost 4000 tonnes each year.

Returns from all these investments will be reinvested to fund further renewable energy projects in the UK.

3.2.6 Financial Performance

Table 29 – Priority 2 Yorkshire and the Humber (excluding South Yorkshire) financial performance

Priority 2 RoR	ERDF		Match		Total		Int Rate
	£	€	£	€	£	€	
RoR Priority 2 total allocation	145,645,497	175,022,194	167,570,626	201,369,622	313,216,123	376,391,816	46.50%
Total committed	146,488,912	175,932,088	198,808,142	233,332,267	345,279,054	409,264,355	43.43%
Current % committed	101%		118%		110%		
RoR allocation remaining	-843,415	-909,894					
Pipeline proposals	-	-					
% potential commitment	To be managed within budget						

Table 30 – Priority 2 South Yorkshire financial performance

Priority 2 SY	ERDF		Match		Total		Int Rate
	£	€	£	€	£	€	
SY Priority 2 total allocation	74,430,921	89,443,638	40,078,188	48,161,959	114,509,109	137,605,597	65.00%
Total endorsed / committed	78,567,956	94,360,115	78,149,108	92,143,054	156,717,064	186,503,169	50.13%
Current % committed	106%		195%		137%		
SY allocation remaining	-4,137,035	-4,916,477					
Pipeline proposals	-	-					
% potential commitment	To be managed within budget						

3.2.7 Indicator Performance
Table 31

Priority 2 – Supporting and Stimulating Successful Enterprise South Yorkshire 'Phasing In'											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Number of projects (direct aid to SMEs - ERDF 7)	Achievement	0	0	21	192	289	436	760	383	0	2,081
	Target	-	-	-	-	-	-	-	-	-	1,443
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses contributing to reduction in eco footprint/waste	Achievement	0	0	0	0	0	25	37	28	0	90
	Target	-	-	-	-	-	-	-	-	-	505
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace (m ²)	Achievement	0	0	184.21	586.33	43.46	1,061	0	4,509	0	6,384
	Target	-	-	-	-	-	-	-	-	-	52,946
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace to BREEAM rating of Good or above or equivalent (m ²)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,187
	Baseline	-	-	-	-	-	-	-	-	-	-
Brownfield land reclaimed and/or redeveloped (Ha)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	5.23
	Baseline	-	-	-	-	-	-	-	-	-	-
Volume of additional flood storage capacity (m ³)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,486
	Baseline	-	-	-	-	-	-	-	-	-	-
Watercourse restored (km)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1.85
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses and properties with reduced flood risk	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	12,575
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of new	Achievement	0	0	0	0	0	8	47	53	0	108

businesses created (ERDF 8)	Target	-	-	-	-	-	-	-	-	-	156
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross new jobs created (ERDF 1, 2 & 3)	Achievement	0	0	11	386	293	912	1,178	1,797	0	4,577
	Target	-	-	-	-	-	-	-	-	-	1,299
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross jobs safeguarded	Achievement	0	0	5	486	1,527	756	359	210	0	3,343
	Target	-	-	-	-	-	-	-	-	-	1,240
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross increase in GVA (£m)	Achievement	0	0	0.40	4.5	6.3	21.8	19.0	68.9	£0	120.9
	Target	-	-	-	-	-	-	-	-	-	102.3
	Baseline	-	-	-	-	-	-	-	-	-	-
Total number of businesses improving capability / performance	Achievement	0	0	0	0	0	0	9	69	0	78
	Target	-	-	-	-	-	-	-	-	-	679
	Baseline	-	-	-	-	-	-	-	-	-	-
Net start-up businesses created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	80
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	894
	Baseline	-	-	-	-	-	-	-	-	-	-
Net additional GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	82.8
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	847
	Baseline	-	-	-	-	-	-	-	-	-	-
Net safeguarded GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	58.2
	Baseline	-	-	-	-	-	-	-	-	-	-

Table 32

Priority 2 – Supporting and Stimulating Successful Enterprise Rest of Region (excluding South Yorkshire)											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Number of projects (direct aid to SMEs - ERDF 7)	Achievement	0	0	22	434	183	625	987	937	0	3,188
	Target	-	-	-	-	-	-	-	-	-	3,307
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses contributing to reduction in eco footprint/waste	Achievement	0	0	0	0	0	11	104	51	0	166
	Target	-	-	-	-	-	-	-	-	-	861
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace (m ²)	Achievement	0	0	0	0	0	9,688	8,912	1,580	0	20,180
	Target	-	-	-	-	-	-	-	-	-	64,257
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace BREEAM rating of Good or above or equivalent (m ²)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	594
	Baseline	-	-	-	-	-	-	-	-	-	-
Brownfield land reclaimed and/or redeveloped (Ha)	Achievement	0	0	0	0	0	0	6.5	0	0	6.5
	Target	-	-	-	-	-	-	-	-	-	6.98
	Baseline	-	-	-	-	-	-	-	-	-	-
Low or zero carbon employment sites developed (Ha)	Achievement	0	0	0	0	0	0	9.7	0	0	9.7
	Target	-	-	-	-	-	-	-	-	-	50.00
	Baseline	-	-	-	-	-	-	-	-	-	-
Volume of additional flood storage capacity (m ³)	Achievement	0	0	0	0	0	0	179	35	0	214
	Target	-	-	-	-	-	-	-	-	-	10,100
	Baseline	-	-	-	-	-	-	-	-	-	-
Watercourse restored (km)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	7.6
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses	Achievement	0	0	0	0	0	0	0	0	0	0

and properties with reduced flood risk	Target	-	-	-	-	-	-	-	-	-	12,625
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of additional businesses covered by or improving broadband access	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	3,000
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of new businesses created (ERDF 8)	Achievement	0	0	0	0	8	7	64	93	0	172
	Target	-	-	-	-	-	-	-	-	-	313
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross new jobs created (ERDF 1, 2 & 3)	Achievement	0	0	0	53	292	504	747	1,464	0	3,060
	Target	-	-	-	-	-	-	-	-	-	2,491
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross jobs safeguarded	Achievement	0	0	65	2,499	1,314	1,409	511	1,495	0	7,293
	Target	-	-	-	-	-	-	-	-	-	2,321
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross increase in GVA (£m)	Achievement	0	0	0.3	18.4	19.9	20.1	11.7	113.0	0	183.4
	Target	-	-	-	-	-	-	-	-	-	169.7
	Baseline	-	-	-	-	-	-	-	-	-	-
Total number of businesses improving capability / performance	Achievement	0	0	0	0	0	0	260	557	0	817
	Target	-	-	-	-	-	-	-	-	-	1,652
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of new or existing businesses locating to eco-efficient, high quality workspace	Achievement	0	0	0	0	0	0	1	2	0	3
	Target	-	-	-	-	-	-	-	-	-	3
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses safeguarded against environmental risk	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,525
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses accessing new or improved broadband services	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,200
	Baseline	-	-	-	-	-	-	-	-	-	-

Net start-up businesses created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	161
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,741
	Baseline	-	-	-	-	-	-	-	-	-	-
Net additional GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	137.2
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,594
	Baseline	-	-	-	-	-	-	-	-	-	-
Net safeguarded GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	82.7
	Baseline	-	-	-	-	-	-	-	-	-	-

3.3 PRIORITY 3: SUSTAINABLE COMMUNITIES

Objectives

1. To improve connectivity to economic opportunities through tackling social, economic and digital exclusion faced by disadvantaged communities
2. To increase economic activity and entrepreneurship within communities
3. To create sustainable jobs in the social economy supported by existing and new social enterprises
4. To promote active participation in the development of a knowledge driven economy

3.3.1 Achievement of targets and analysis of progress

Table 33 – Projects Contracted in 2014

Priority 3 Sustainable Communities				
Project	Delivery Organisation	Contract date	ERDF (£)	ERDF (€)
Growth Initiative (LEBGI)	East Riding of Yorkshire Council	01/04/14	753,902	915,198
Digital Media Exchange	Media Solutions Ltd	30/04/14	532,110	642,606
		Total	£1,286,012	€1,557,804

Priority 3 continues to deliver local regeneration, growth and jobs. Two new projects have been contracted in 2014 with a total value of €1.56m (£1.29m) ERDF. At the year end the priority was 104.07% legally committed against the Yorkshire and Humber ERDF allocation and 97.15% legally committed against the South Yorkshire phasing in region.

In 2013 the Programme had an open call for proposals for reserve projects. Four proposals were received under Priority 3, three in the Yorkshire and the Humber Programme and one in the South Yorkshire Programme area. Two proposals progressed through the application process to an offer of grant – in 2014 - as listed in the table above.

To ensure full commitment of resources under Priority 3, the Managing Authority has worked with grant recipients to identify additional activities within projects already in delivery which could offer value for money. Several projects identified opportunities to deliver additional activities and Programme outputs through an extended project delivery period. These requests for additional resources were considered by the Managing Authority and Programme Monitoring Boards. This resulted in additional resources being allocated to grant recipients, taking Priority 3 allocation just over full commitment level at 100.6% (average) of Priority

Priority 3 targets the most deprived Super Output Areas in Yorkshire and the Humber, and the entire area of South Yorkshire. These are areas with the hardest-to-reach disadvantaged communities. As a consequence, there is necessarily a significant input of resources upfront before outputs can be captured and reported. This is also a significant attrition rate. Nevertheless, the priority is making significant progress against the key outputs and continues to have a positive impact on the regeneration of deprived areas.

Summarising indicator performance as set out in Tables 36 and 37:

- number of SMEs assisted (direct aid to SMEs) has exceeded the Priority target at 151%
- number of businesses overcoming barriers to employment ended the year at 174%
- new or upgraded floorspace is at 85% with achievement in full expected
- businesses created is very strong at 122% despite the time lag on output verification (12 months in operation)
- gross new jobs created ended the year at 272% of target
- jobs safeguarded has reached 241% of target
- gross increase in GVA reached 79%

The figures demonstrate the strength of the Priority outturn compared with other programme Priorities.

3.3.2 Significant problems encountered and measures taken to overcome them

Both central and local public funding constraints have continued to affect the uptake of funding, with both positive and negative effects. The pressure on public resources and services has resulted in a shortage and scarcity in public match funding, with a negative impact upon applications for this priority.

However, there is still significant demand for investment, as projects step in to fill the service gaps created by the retreat of public-funded service provision in the neediest communities. This in turn has created its own set of challenges for voluntary organisations as they seek to identify match funding. Many voluntary organisations have sought to use their own unrestricted funds as match for ERDF projects with all the concomitant risks for the organisation.

3.3.3 Project highlights 2014

Priority 3 continues to deliver local regeneration, growth and jobs within the current Programme. The main delivery is being undertaken by public and voluntary organisations, in line with the Programme's strategy and local growth delivery plans. Voluntary organisations make up a significant proportion of the UK economy and the sector is a major employer locally. Voluntary organisations are rebalancing the local economy, stepping in to provide services and goods where public sector cuts have hit the hardest. This priority's ERDF expenditure is one of the main local economic catalysts encouraging, supporting and stimulating local enterprise creating new businesses and associated jobs. The generation of new local services and jobs and

investment in deprived communities is helping the most disadvantaged and deprived sectors and communities to become more economically engaged.

Those projects embedding investment in disadvantaged communities are at the cutting edge of local community based regeneration. By delivering support for SMEs, Social Enterprises and communities, they are encouraging growth and local investment in SME's which are replacing the services withdrawn due to public funding cuts. The **CDFI Loans for SMEs and Social Enterprises** and Leeds Community Foundation's **Yorkshire Venture Philanthropy** demonstrate how ERDF can support government policy in the promotion and provision of access to finance for SMEs currently experiencing financial exclusion. ERDF invested alongside private match funding with the Community Development Finance Institutions (CDFIs) ensures greater accessibility to finance for small businesses and social enterprises that have been refused mainstream banking.

The **Key Fund Social Enterprise Fund**, delivered by the South Yorkshire Key Fund across the region, the project was established in July 2011 and made its final loan offer in early 2014 and is now closed for business.

The €3,281,890 (£2,845,727) fund is made up of €1,661,330 (£1,440,539) ERDF with the balance from private sources. The project filled a gap in the market by providing small loans to social enterprises who require support to develop, but who are unable to attract the required finance from mainstream sources or other established finance products.

CDFI Finance for SMEs and Social Enterprises is a €41.889m (£37.231m) loan fund supporting SMEs and Social Enterprises across the Yorkshire and Humber region, providing loans between €1,125 - €337,534 (£1k and £300k) which have been turned down for finance by mainstream banks. The Fund comprises €21.159m (£18.806m) ERDF and €20.730m (£18.425m) private sector match funding. Key Fund South Yorkshire Ltd is the lead applicant for a consortium of eight Community Development Financial Institutions (CDFIs). The project commenced in January 2011 and is contracted to complete in September 2015.

The fund has a referral system in place with Finance Yorkshire (Priority 2 funded FEI) to ensure that the most appropriate fund is applied to ensuring SMEs and Social Enterprise access the most appropriate finance package to meet with their current development needs.

3.3.4 Cross-cutting themes

Priority 3 makes a major contribution to the Equality and Diversity cross cutting themes, particularly in overcoming barriers to employment opportunities faced by individuals from all groups (including women, BAME communities, and people with disabilities). Within Priority 3 there are a number of projects that deliver direct activity to disadvantaged groups in deprived areas, helping minority groups to access opportunities to engage/re-engage with mainstream socioeconomic activities.

3.3.5 Financial Performance

Table 34 – Priority 3 Yorkshire and the Humber (excluding South Yorkshire) financial performance

Priority 3 RoR	ERDF		Match		Total		Int Rate
	£	€	£	€	£	€	
RoR Priority 3 total allocation	52,016,249	62,507,927	53,088,801	63,796,813	105,105,051	126,304,740	49.49%
Total Committed	52,781,621	63,390,727	55,358,569	66,108,182	108,140,191	129,498,909	48.80%
Current % committed	101%		104%		103%		
RoR allocation remaining	-765,372	-882,800					
Pipeline proposals	-	-					
% potential commitment	To be managed within budget						

Table 35 – Priority 3 South Yorkshire financial performance

Priority 3 SY	ERDF		Match		Total		Int Rate
	£	€	£	€	£	€	
SY Priority 3 total allocation	41,207,256	49,522,385	36,542,567	43,916,077	77,749,823	93,438,462	53.00%
Total committed	41,072,542	48,295,053	40,862,239	48,227,319	81,934,781	96,522,372	50.13%
Current % committed	100%		112%		105%		
SY allocation remaining	134,714						
Pipeline proposals	-						
% potential commitment	To be managed within budget						

3.3.7 Indicator Performance
Table 36

Priority 3 – Sustainable Communities South Yorkshire 'Phasing in'											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Number of projects (direct aid to SMEs - ERDF 7)	Achievement	0	0	14	155	1,492	1,200	294	246	0	3,401
	Target	-	-	-	-	-	-	-	-	-	2,376
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses assisted that are social enterprises inc in above	Achievement	0	0	14	37	124	108	12	136	0	431
	Target	-	-	-	-	-	-	-	-	-	317
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses over- coming barriers to employment	Achievement	0	0	1	1	71	430	86	78	0	667
	Target	-	-	-	-	-	-	-	-	-	305
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace (m ²)	Achievement	0	0	0	0	0	1,715	836	2,782	0	5,333
	Target	-	-	-	-	-	-	-	-	-	7,623
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of renewable energy technology systems installed	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	45
	Baseline	-	-	-	-	-	-	-	-	-	-
Green Space improved, accessible to local organisation (Ha)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	4
	Baseline	-	-	-	-	-	-	-	-	-	-
Green capacity building initiatives supported	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	9
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of new businesses created	Achievement	0	0	1	116	376	86	154	162	0	895
	Target	-	-	-	-	-	-	-	-	-	710

(ERDF 8)	Baseline	-	-	-	-	-	-	-	-	-	-
Gross new jobs created (ERDF 1, 2 & 3)	Achievement	0	0	1	214	933	726	1,013	851	0	3,738
	Target	-	-	-	-	-	-	-	-	-	1,427
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross jobs safeguarded	Achievement	0	0	1	75	1,047	321	96	56	0	1,596
	Target	-	-	-	-	-	-	-	-	-	474
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross increase in GVA (£m)	Achievement	0	0	0	0	7.6	1.1	3.8	1.1	0	13.6
	Target	-	-	-	-	-	-	-	-	-	21.8
	Baseline	-	-	-	-	-	-	-	-	-	-
MW of renewable energy capacity installed	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	3.19
	Baseline	-	-	-	-	-	-	-	-	-	-
Net start-up businesses created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	159
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	930
	Baseline	-	-	-	-	-	-	-	-	-	-
Net additional GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	23.4
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	302
	Baseline	-	-	-	-	-	-	-	-	-	-
Net safeguarded GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	7.6
	Baseline	-	-	-	-	-	-	-	-	-	-

Table 37

Priority 3 – Sustainable Communities Rest of Region (excluding South Yorkshire)											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Number of projects (direct aid to SMEs - ERDF 7)	Achievement	0	0	28	21	483	993	717	816	0	3,058
	Target	-	-	-	-	-	-	-	-	-	1,886
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses assisted that are social enterprises inc in above	Achievement	0	0	28	21	89	169	125	68	0	500
	Target	-	-	-	-	-	-	-	-	-	503
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of businesses over- coming barriers to employment	Achievement	0	0	1	0	89	88	223	53	0	454
	Target	-	-	-	-	-	-	-	-	-	339
	Baseline	-	-	-	-	-	-	-	-	-	-
New or upgraded floorspace (m ²)	Achievement	0	0	0	0	0	900	1,084	11,669	0	13,653
	Target	-	-	-	-	-	-	-	-	-	14,670
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of renewable energy technology systems installed	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	27
	Baseline	-	-	-	-	-	-	-	-	-	-
Green Space improved, accessible to local organisation (Ha)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2
	Baseline	-	-	-	-	-	-	-	-	-	-
Green capacity building initiatives supported	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	4
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of new businesses created (ERDF 8)	Achievement	0	0	4	4	26	178	200	434	0	846
	Target	-	-	-	-	-	-	-	-	-	714
	Baseline	-	-	-	-	-	-	-	-	-	-

Gross new jobs created (ERDF 1, 2 & 3)	Achievement	0	0	19	3	179	953	1,238	1,125	0	3,517
	Target	-	-	-	-	-	-	-	-	-	1,240
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross jobs safeguarded	Achievement	0	0	6	7	317	392	157	359	0	1,238
	Target	-	-	-	-	-	-	-	-	-	698
	Baseline	-	-	-	-	-	-	-	-	-	-
Gross increase in GVA (£m)	Achievement	0	0	0	0	0.7	1.2	8.7	6.6	0	17.2
	Target	-	-	-	-	-	-	-	-	-	16.2
	Baseline	-	-	-	-	-	-	-	-	-	-
MW of renewable energy capacity installed	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1.91
	Baseline	-	-	-	-	-	-	-	-	-	-
Net start-up businesses created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	332
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	829
	Baseline	-	-	-	-	-	-	-	-	-	-
Net additional GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	16.5
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	381
	Baseline	-	-	-	-	-	-	-	-	-	-
Net safeguarded GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	9.5
	Baseline	-	-	-	-	-	-	-	-	-	-

3.4 PRIORITY 4 : ECONOMIC INFRASTRUCTURE FOR A COMPETITIVE ECONOMY

Objectives:

1. To support the Sheffield City Region Development Plan by developing the critical business, environmental and cultural infrastructure in the four key urban centres and contribute to the development of an accessible and sustainable knowledge economy
2. To ensure that South Yorkshire has the digital infrastructure to support business competitiveness and the growth of the knowledge economy

3.4.1 Achievement of target and analysis of progress

Table 38 – Projects contracted in 2014

Priority 4 Economic Infrastructure for a Competitive Economy				
Project	Delivery Organisation	Contract date	ERDF (£)	ERDF (€)
Remediation of the former Don Valley Stadium Site, Sheffield	Sheffield City Council	06/11/2014	2,321,354	2,671,207
Grey to Green Phase 1 – Sheffield Riverside Business District, Sheffield	Sheffield City Council	27/10/2014	1,426,000	1,640,913
Pool Green Infrastructure, Rotherham	Rotherham Metropolitan Borough Council	03/10/2014	1,166,267	1,426,958
Total			£4,913,621	€5,739,079

Priority 4 continues to deliver local infrastructure regeneration. Three new projects have been contracted in 2014 with a value of €5.7m (£4.9m) ERDF. At the year end the priority was 117% committed.

The Programme modification proposal (accepted by the European Commission in 2013) revised the output targets in Priority 4. A number of new indicators were added, including outputs relating to number of projects (transport), hectares of land improved and kilometres of gateway improved. The above project will contribute towards the achievement of hectares of land improved.

The new or upgraded floorspace target has proved to be particularly challenging as the financial crisis has reduced the availability of match funding (from both the public and private sectors) and reduced overall demand for floorspace. The target output has been reduced by 80% in the modification from 45,052 sqm to 8,818 sqm. In addition the need to invest in gateways and transport infrastructure has impacted on the available budget for floorspace.

3.4.2 Significant problems encountered and measures taken to overcome them

Priority 4 has attracted economic infrastructure projects in the main, delivering substantial improvements to infrastructure and gateways. Whilst this is delivering key improvements in sustainable urban development, attracting inward investors and delivering improvements in the knowledge economy, these impacts cannot be counted as directly attributable to the projects themselves. In order that the full economic impact of ERDF investment can be demonstrated, projects will be required through contractual conditions to evaluate indirect economic impacts in their concluding reports.

Development at Northfields Advanced Industrial Park has encountered a significant delay due to poor market conditions. The market for speculative business space in South Yorkshire remains fragile despite an improving national picture and as a consequence the grant recipient has delayed a start on site.

Match funding

Reductions in public sector budgets have had an impact on projects that were expected to deliver against local authority economic master plans. However, the three projects contracted during 2014 demonstrate that there is still a limited amount of match funding available from the public sector.

3.4.4 Cross-cutting themes

Priority 4's contribution to cross cutting themes can be demonstrated by several projects.

Rotherham Central Railway Station

The station is only the second rail station in the country to have undergone a bespoke BREEAM assessment. The re-development has received a rating of 'Very Good'. The station incorporates photo voltaic cells on the roof (on-site renewables) that are delivering approximately 5% of the station's energy demands and rain water harvesting which is reducing the impact of the station's operation on the environment. More indirectly, the station will promote increased use of the rail network through the provision of more attractive facilities for users.

Doncaster Civic and Cultural Quarter

The project has created significant sustainability impacts which include a reduction of parking facilities in the town centre that are combined with wider public transport improvements being delivered by other initiatives, improvements to cycle routes and pedestrian zones. The project also incorporates rain gardens which reduce run off and limit the volumes of water within the drainage system, thereby reducing the amount of pollution reaching local rivers and streams. The project has sourced new construction materials locally or from the nearest approved UK source to reduce the delivery CO² which affects the environmental rating of the construction material.

Eastern Gateway, Sheffield

The project has created a high quality gateway to the New Retail Quarter, New Business District and the Moor in Sheffield city centre. It gives greater connectivity between the various commercial developments and create an improved entrance to an important part of the city centre. The project has positive cross cutting theme impacts at three levels. Firstly, measures were implemented within the construction process to reduce the environmental impact of the works by using recycled materials. Secondly, the project has improved the visual amenity of the area and accessibility for pedestrians, cyclists and public transport users through re-alignment of roads improved crossing points and signage. Thirdly, car borne traffic flow through the city centre is now managed more effectively with controlled signals, reducing congestion and improving accessibility.

3.4.5 Financial Performance

Table 39 – Priority 4 South Yorkshire financial performance

Priority 4 SY	ERDF		Match		Total		Int Rate
	£	€	£	€	£	€	
SY Priority 4 total allocation	63,771,042	76,633,661	105,981,018	123,521,648	169,752,060	200,155,309	38.29%
Total committed	75,074,991	90,089,990	124,496,274	145,614,505	199,571,265	235,704,495	37.62%
Current % committed	117%		118%		118%		
SY allocation remaining	-11,303,949	-13,456,329					
Pipeline proposals	-	-					
% potential commitment	To be managed within budget						

3.4.6 Indicator Performance

Table 40

Priority 4 Economic Infrastructure for a Competitive Economy South Yorkshire 'phasing in'											
Indicators		2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
New or upgraded floorspace (m ²)	Achievement	0	0	0	0	0	0	1,580	272	0	1,852
	Target	-	-	-	-	-	-	-	-	-	8,819
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of additional businesses covered by or improving broadband	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2,500
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of projects ensuring sustainability and improving the attractiveness of towns & cities	Achievement	0	0	0	0	0	0	2	0	0	2
	Target	-	-	-	-	-	-	-	-	-	8
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of projects seeking to promote businesses, entrepreneurship, new technology (ERDF40)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	9
	Baseline	-	-	-	-	-	-	-	-	-	-
Number of projects (Transport)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	4
	Baseline	-	-	-	-	-	-	-	-	-	-
Information Society projects (ERDF 11)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	4
	Baseline	-	-	-	-	-	-	-	-	-	-
Hectares of land improved	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1.67
	Baseline	-	-	-	-	-	-	-	-	-	-
Kilometres of gateway improved	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	2.89
	Baseline	-	-	-	-	-	-	-	-	-	-
Value for time savings from new and reconstructed roads (£/year)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	500,000
	Baseline	-	-	-	-	-	-	-	-	-	-
Additional population served with improved urban transport	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	1,080
	Baseline	-	-	-	-	-	-	-	-	-	-

Reduction greenhouse gas emissions (CO2 and equivalents, kt)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	166
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs created	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	369
	Baseline	-	-	-	-	-	-	-	-	-	-
Net additional GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	14.5
	Baseline	-	-	-	-	-	-	-	-	-	-
Net jobs safeguarded	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	369
	Baseline	-	-	-	-	-	-	-	-	-	-
Net safeguarded GVA (£m)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	14.5
	Baseline	-	-	-	-	-	-	-	-	-	-
Economic/employment sites unlocked (Ha)	Achievement	0	0	0	0	0	0	0	0	0	0
	Target	-	-	-	-	-	-	-	-	-	85
	Baseline	-	-	-	-	-	-	-	-	-	-

3.5 PRIORITY 5: TECHNICAL ASSISTANCE

3.5.1 Achievement of targets and analysis of progress

The core Programme management technical assistance has continued to deliver the key managing authority functions in 2014:

- Effective overall programme management
- Robust technical appraisal and approval function
- Contract management and closure
- Claims processing, irregularities management and financial information
- High quality Article 13 verification work
- Support and servicing of the Local Management Committee and its subcommittees
- Effective communications, information and publicity
- Programme-level evaluation.

Resources are now also being deployed to prepare and develop the 2014-2020 ERDF Programme. The focus in 2014 has been on revisions to local strategic plans, development of the business process and associated systems, setting up governance structures and partnership development.

Table 41 – Live TA contracts

	Priority 5 – Technical Assistance				
Project	Delivery Organisation	Original end date	Extended end date	ERDF (£)	ERDF (€)
Humber TA Phase 2	East Riding of Yorkshire Council	30/06/2015	30/09/2015	729,042	883,089
South Yorkshire TA Phase 2	Doncaster Borough Council	30/06/2015	30/09/2015	917,257	1,111,073
Yorkshire Universities TA	Yorkshire Universities	30/06/2015	30/09/2015	196,071	137,501
		Total		1,842,370	2,131,663

Humber Technical Assistance Phase 2

Humber Technical Assistance Phase 2 is a partnership between East Riding of Yorkshire Council (the Project Applicant) and its project delivery partners: CERT Ltd, Humber Learning Consortium, North Lincolnshire Council and University of Hull. North East Lincolnshire Council and Hull City Council joined the partnership in 2014.

The project continues to assist delivery organisations in ensuring that Programme objectives are achieved efficiently and compliantly. The project has also played a

key role in working with partners across the Humber LEP and York, North Yorkshire and East Riding LEP areas to prepare for the 2014-2020 programme, focusing on early strategic development work.

Yorkshire Universities Technical Assistance

Yorkshire Universities Technical Assistance is a partnership between Yorkshire Universities (the Project Applicant) and its members: the Universities of Bradford, Huddersfield, Hull, Leeds, Sheffield and York; Sheffield Hallam University, Leeds College of Music, Leeds Metropolitan University, Leeds Trinity University College and York St John University.

The project supports preparation for the 2014-2020 ERDF Programme, focusing on developing partner awareness, knowledge and understanding of the Programme and looking at broad strategic opportunities, predominantly related to the innovation and smart specialization agendas.

5 project development areas have emerged from the scoping work and are being explored further through scoping exercises:

- Healthcare and medical technologies
- Automotive manufacturing
- Agri –science and bio-renewables
- SME innovation
- Energy

2014-2020 European Programmes

Local Enterprise Partnerships (LEPs) across England, which some of them are project delivery partners of both South Yorkshire Technical Assistance Phase 2 and Humber Technical Assistance Phase 2 projects; were working on the development of the new 2014 - 20 European Structural Investment Funds (ESIF) Growth Programme together with DCLG – Growth Delivery Teams, BIS Local, DWP and Defra.

Back in the summer LEPs received provisional indicative allocations and guidance to help with the drafting of strategies setting out how ESIF funds will be invested locally. All LEPs submitted draft strategies in October and were working on final versions submitted to Government at the end of January 2014.

Work is also in progress on the development of processes and documentation to support the delivery of the Programmes. Whilst this is very much a work in progress, the principles underpinning the development of the new processes include:

- **A single process for Structural Funds** - ERDF, ESF and EAFRD where practical and possible, adopting a consistent approach;
- **Digital By Default** - online application, monitoring and management processes;
- **Empowering LEPs to deliver their ESIF Strategies** - locally determined and driven investment strategies;

- **The customer journey at the heart of the new business process** - a clear applicant journey with information and advice to help applicants navigate through the regulations and guidance. The DCLG Growth Delivery Team is working closely with BIS Local, DWP and Defra to take this work forward.

3.5.2 Financial Performance

Table 42 – Priority 5 Yorkshire and the Humber (excluding South Yorkshire) Financial Performance

Priority 5 RoR	ERDF		Match		Total		Int Rate
	£	€	£	€	£	€	
RoR Priority 5 total allocation	4,797,897	5,765,633	4,797,897	5,765,633	9,595,794	11,531,265	50.00%
Total committed	3,750,461	4,500,553	3,750,596	4,500,715	7,501,057	9,001,268	50.00%
Current % committed	78%		78%		78%		
RoR allocation remaining	1,047,436	1,265,080					
Pipeline proposals	-	-					
% potential commitment	78%						

Table 43 – Priority 5 South Yorkshire Financial Performance

Priority 5 SY	ERDF		Match		Total		Int Rate
	£	€	£	€	£	€	
SY Priority 5 Total Allocation	4,635,132	5,570,038	4,635,132	5,570,038	9,520,000	11,140,076	50.00%
Total Committed	4,178,586	5,014,303	4,178,587	4,982,438	8,357,173	9,938,142	50.00%
Current % committed	90%		90%		90%		
SY allocation remaining	465,546	555,735					
Pipeline Proposals	-	-					
% potential commitment	90%						

3.6 Priority Financial Allocations

The total value of the Yorkshire and the Humber Programme is €583,580,959, of which €271,041,326 is allocated for activity within South Yorkshire as a “phasing in” region and €312,539,633 for the rest of the Yorkshire and the Humber. **Table 44** shows the position for the whole Programme, **Table 45** for the South Yorkshire phasing in region allocation and **Table 46** for Yorkshire and the Humber (excluding South Yorkshire) allocation.

Table 44

Table 60 Programme and Priority Level Allocations Phasing-in and non phasing-in								
	Community Funding (a)	National counterpart (b) (= (c) + (d))	Indicative breakdown of the national counterpart		Total funding (e) = (a)+(b)	Co-financing rate (f)1 = (a)/(e)**	For information	
			National Public funding (c)	National private funding (d)*			EIB Contributions	Other Funding3
Priority Axis 1	119,115,484	91,479,170	91,479,170	0	210,594,653	56.56%	0	0
Priority Axis 2	264,465,832	249,531,581	249,531,581	0	513,997,413	51.45%	0	0
Priority Axis 3	112,030,312	107,712,890	107,712,890	0	219,743,202	50.98%	0	0
Priority Axis 4	76,633,661	123,521,648	123,521,648	0	200,155,309	38.29%	0	0
Priority Axis 5	11,335,671	11,335,671	11,335,671	0	22,671,341	50%	0	0
Total	583,580,959	583,580,959	583,580,959	0	1,167,161,918	50%	0	0

Table 45

Table 59 Programme and Priority Level Allocations Phasing-in								
	Community	National	Indicative		Total	Co-	For information	
	Funding	counterpart	breakdown of the		funding	financing		
	(a)	(b) (= (c) +	national		(e) =	rate		
		(d))	counterpart		(a)+(b)	(f)1 =		
						(a)/(e)**		
			National	National			EIB	Other
			Public	private			contributi	funding3
			funding	funding			ons	
			(c)	(d)*				
Priority Axis 1	49,871,604	49,871,604	49,871,604	0	99,743,208	50.00%	0	0
Priority Axis 2	89,443,638	48,161,959	48,161,959	0	137,605,597	65.00%	0	0
Priority Axis 3	49,522,385	43,916,077	43,916,077	0	93,438,462	53.00%	0	0
Priority Axis 4	76,633,661	123,521,648	123,521,648	0	200,155,309	38.29%	0	0
Priority Axis 5	5,570,038	5,570,038	5,570,038	0	11,140,076	50.00%	0	0
Total	271,041,326	271,041,326	271,041,326	0	542,082,652	50.00%	0	0

Table 46

Table 58 Programme and Priority Level Allocations Non Phasing-in								
	Community	National	Indicative		Total	Co-	For information	
	Funding	counterpart	breakdown of the		funding	financing		
	(a)	(b) (= (c) +	national		(e) =	rate		
		(d))	counterpart		(a)+(b)	(f)1 =		
						(a)/(e)**		
			National	National			EIB	Other
			Public	private			contributi	funding3
			funding	funding			ons	
			(c)	(d)*				
Priority Axis 1	69,243,880	41,607,599	41,607,566	0	110,851,445	62.47%	0	0
Priority Axis 2	175,022,194	201,369,622	201,369,622	0	376,391,816	46.50%	0	0
Priority Axis 3	62,507,927	63,796,813	63,796,813	0	126,304,740	49.49%	0	0
Priority Axis 5	5,765,633	5,765,633	5,765,633	0	11,531,265	50.00%	0	0
Total	312,539,633	312,539,633	312,539,633	0	625,079,266	50.00%	0	0

Chapter 4 EUROPEAN SOCIAL FUND

Chapter 4 applies to programmes that have funding from the European Social Fund.

There has been no ESF-type expenditure within Yorkshire and the Humber's Competitiveness and Employment Programme.

Chapter 5: MAJOR PROJECTS

There are 4 major projects within the Yorkshire and the Humber Programme:

- Priority 4 – Digital Region
- Priority 2 – Science City York: Embedded Business Space and Technology Transfer
- Priority 2 – Energy Works (Hull)
- Priority 4 – Bus Rapid Transit North

The first two projects were contracted in earlier years of the Programme and in both cases the practical capital works have broadly been completed. Energy works was approved by the Commission in 2012, and after development the final funding agreement was submitted on 29th August 2013, with plans to begin construction by February 2014. Bus Rapid Transport North was deemed admissible by the commission on 20th December 2012, with funding approved by the Executive Management Team subject to conditions on 30th July 2013.

5.1 DIGITAL REGION

Digital Region set out to be a groundbreaking and transformational project that would underpin a step change in the economic performance of South Yorkshire through investment in broadband infrastructure. Access to high speed broadband was considered critical to supporting local growth through:

- Ensuring businesses in South Yorkshire are able to remain competitive through access to high speed broadband
- Promoting South Yorkshire as a great place to do business - attracting new business to South Yorkshire, and providing the infrastructure to support business development and growth.
- Giving the people and businesses in South Yorkshire better access to information and services

ERDF investment was approved to put broadband infrastructure in place and help create the conditions to support future economic growth through digital technology. Since the approval of the project, significant progress has been made in the construction on a superfast broadband network in South Yorkshire.

ERDF investment helped Digital Region Limited to build a 350 mile fibre optic network across South Yorkshire providing around 1.3 million people, 546,000 homes and 40,000 businesses in and around Barnsley, Doncaster, Rotherham and Sheffield with access to next generation broadband.

The network achieved its ERDF target of 80% coverage (access to broadband) by March 2012 on time and to cost. Infrastructure development has been delivered in accordance with the ERDF major project application and the ERDF funding has been invested as planned, spent and accounted for.

The investment in Digital Region was made in response to clear market failure, at the time of ERDF approval, next generation, high speed broadband was not available in South Yorkshire.

A submission to modify the Major Project approval decision confining ERDF investment to the achievement of 80% network coverage was submitted via SFC in January 2013. In August 2013 the Managing Authority was advised of the announcement of intent from the Digital Region Board and shareholders to close Digital Region in 2014. Discussions with DG Regio led to a Commission agreement in May 2014 for the modification of the Major Project approval decision.

In accordance with EU regulation, given that the project closed within 5 years of its physical completion, DCLG has secured the return of £13,452,037 (€15,555,490.53) funds for reinvestment in the Programme.

5.2 SCIENCE CITY YORK: EMBEDDED BUSINESS SPACE AND TECHNOLOGY TRANSFER

ERDF investment of £19.76m ERDF has created a state of the art facility that brings business and University expertise together to support innovation, research and development to develop and shape and commercialise new technologies. The 30,500m² facilities include: an innovation hub, a business incubator 'Catalyst Centre', and research facilities for the production of chemical and biofuels from waste material.

All capital expenditure ended in June 2013 in line with budgets and forecast. Science City York has delivered 272 jobs created and c.800 jobs safeguarded.

The project was subject to ECA audit DAS2012. The audit identified some errors in relation to procurement, as a result a financial penalty of £552,854 has been applied.

5.3 ENERGY WORKS (HULL)

Energy Works will pioneer new approaches to energy generation in the UK. The project will see the construction of an energy generation facility which will use waste materials as fuel to power 25,000 homes in the region. However, rather than incinerating the waste to generate electricity, the project will use a cleaner, more efficient process called Advanced Fluid Gasification to recover energy from 190,000 tons of waste per year, being only the third facility in the UK to do so. In addition, solar cells will be installed on site which will generate an additional 0.25MW of energy, and a research centre will also be built. The project was awarded €22 million (£19.9 million) of capital funding from ERDF, as part of priority 2.

Energy Works will deliver:

- €16m (£13m) of Gross Value Added when fully operational
- 38 permanent jobs

- 11,458m² new floor space
- A research centre with the capacity for two post graduate positions.

The project entered the procurement stage in 2013, with a view to begin construction of the facility by the end of 2014. The commissioning phase is then scheduled to begin in the third quarter of 2015.

Due to the size, scale and innovative nature of the project, the design and development of the detailed specification required was anticipated to be complex and lengthy however a government review of Renewable Obligation Certificates (ROCs) policy in 2012, which may have impacted on the project's commercial viability, lengthened timescales by approximately a year.

Complex financial negotiations on sources of finance have also taken longer than anticipated due to the challenging; relatively untested market the project will operate in. These have required a significant amount of due diligence on behalf of potential investors by the applicant, C.Spencer, to demonstrate the technical and commercial viability of the project. These activities, such as fuel analysis studies and equipment specification testing have been undertaken by C. Spencer at their own cost and risk.

In order to demonstrate compliance with the principles of open, fair and transparent procurement in line with European policy, a voluntary OJEU process has been undertaken to select a contractor to deliver the project. The complexities of the project and limited number of organisations with the capacity and expertise to undertake the project have lengthened timescales.

To mitigate risk that the project may not complete in the Programme timescales the DCLG Growth Delivery Team has:

- Worked closely with the grant recipient to identify spend that can be brought forward such as orders for large pieces of equipment
- Reviewed the milestone payments to maximise early spend

First claims are due to be submitted in early 2015.

5.4 SOUTH YORKSHIRE BUS RAPID TRANSIT NORTHERN ROUTE

BRT North is an integrated transport scheme which will facilitate the sustainable redevelopment of brownfield industrial sites in the Lower Don Valley, helping to create up to 5,000 private sector jobs. The project involves constructing a new 800m link road circumventing M1 Junction 34 (S), improving traffic flows between the centres of Rotherham and Sheffield, an important commuter axis. A frequent, sustainable, high quality, reliable "Bus Rapid Transit" (BRT) system will be introduced along a 12km route connecting Rotherham and Sheffield centres with the heart of the industrial area. Key junctions will be equipped with traffic signals giving automated priority to BRT vehicles.

ERDF investment of £8.1m will:

- create 2,800 extra new jobs directly linked to the project by 2026
- Unlock significant development sites along the BRT route by increasing highway capacity
- secure environmental benefits including 650 passengers per day switching from car to public transport

. The application was deemed admissible by the commission on 20th December 2012. The Funding Agreement was executed on 6th December 2013.

Since then, the grant recipient, South Yorkshire Passenger Transport Executive (SYLTE) has experienced significant delays to the project due to:

- six incidents invoking unexploded bomb (UXB) protocols. In four of the six, ordnance was found (9 weeks)
- asbestos contamination in three separate locations (29 weeks)
- unforeseen sewer diversion requirements (16 weeks)

Resolution of these problems is expected to cause a project overrun in both time and resource. The GDT is working with SYLTE to maximise delivery within the scope of the programme period.

Chapter 6: TECHNICAL ASSISTANCE

Technical assistance is used to part-fund activity which directly supports the effective implementation of the ERDF Operational Programme. The Operational Programme, which was revised in April 2013, sets out the allocation for Priority 5 i.e. Technical Assistance. 2.06% of the ERDF resources in South Yorkshire (equating to €5,570,038), and 1.84% of the ERDF resources in Rest of Region (equating to €5,765,633), is allocated to this priority.

The technical assistance strategy explains the activities to be funded through technical assistance and the organisational arrangements. The strategy is reviewed on at least an annual basis to ensure it is fit for purpose and reflects the changing demands of the Programme.

To reflect the wide ranging changes in national and regional priorities caused by the banking crisis and its subsequent socio-economic effect, the main amendments to the operational programme included the below:

- Increases and Reductions in certain outputs, results and targets to ensure deliverability and reflect where programme investment has been steered in a way not envisaged at the Programme development stage.
- Virement of funds between priorities to reflect partner aspirations and to exploit growth opportunities from ERDF investment
- Amendments to indicative allocation within each priority to reflect actual and expected delivery for the remainder of the Programme
- Changes to the Implementing Provisions to reflect the transfer of Managing Authority functions to DCLG
- Clarification of the ability to use a limited amount of technical assistance resource to assist the development of the 2014-2020 ERDF Programme
- Setting out in further detail the role of next generation broadband in providing the right infrastructure conditions to attract investment and support business growth and competitiveness in the global economy.

Technical assistance activity is covered in detail in section 3.5.

Chapter 7: INFORMATION & PUBLICITY

Article 69 of the Regulation (EC) 1083/2006 establishes the obligation for the managing authority of each Operational Programme co-financed by ERDF to provide information and to publicise activities.

7.1 COMMUNICATIONS PLAN

In line with the regulation, a communications plan for the entire programming period was prepared within four months of the Programme's adoption. This plan is generally reviewed each subsequent year or when business requires. No modifications were made to the Plan in 2014.

7.2 COMMUNICATION RESOURCE

In accordance with Regulation (EC) 1828/2006 Article 2(d) the administrative department/body responsible for implementing the information and publicity measures in the Yorkshire and the Humber ERDF Programme 2007-2013 is the Department for Communities and Local Government. Alison Laggan is the named contact person required by the regulation.

7.3 INFORMATION EVENTS IN 2014

7.3.1 Annual Information Event

Every year, in line with EU requirements, the GDT updates its partners and stakeholders on Programme progress and celebrate the success of some of the investments. In 2014 we celebrated success through the 'ERDF local growth success stories 2014' publication showcasing how the Programme is supporting strong sustainable growth and helping businesses to grow and create jobs.

A copy was made available on the GOV.UK website.

7.3.2 Calls for Projects

No calls were made in 2014.

7.4 PUBLICATIONS

7.4.1 Newsletter

E-bulletins were issued to partners in March and August. They were distributed to a mailing list of over 700 stakeholders, informing them of current Programme and project performance and the development of the 2014-20 Programme.

A procurement bulletin was issued to the ERDF practitioner network in January 2014. Its purpose was to remind partners of the importance of complying with procurement regulation and directives, given the financial risks in terms of non negotiable financial penalties.

7.5 WEBSITE

The ERDF Programme's web presence can be found on the gov.uk website at <https://www.gov.uk/browse/business/funding-debt/european-regional-development-funding>.

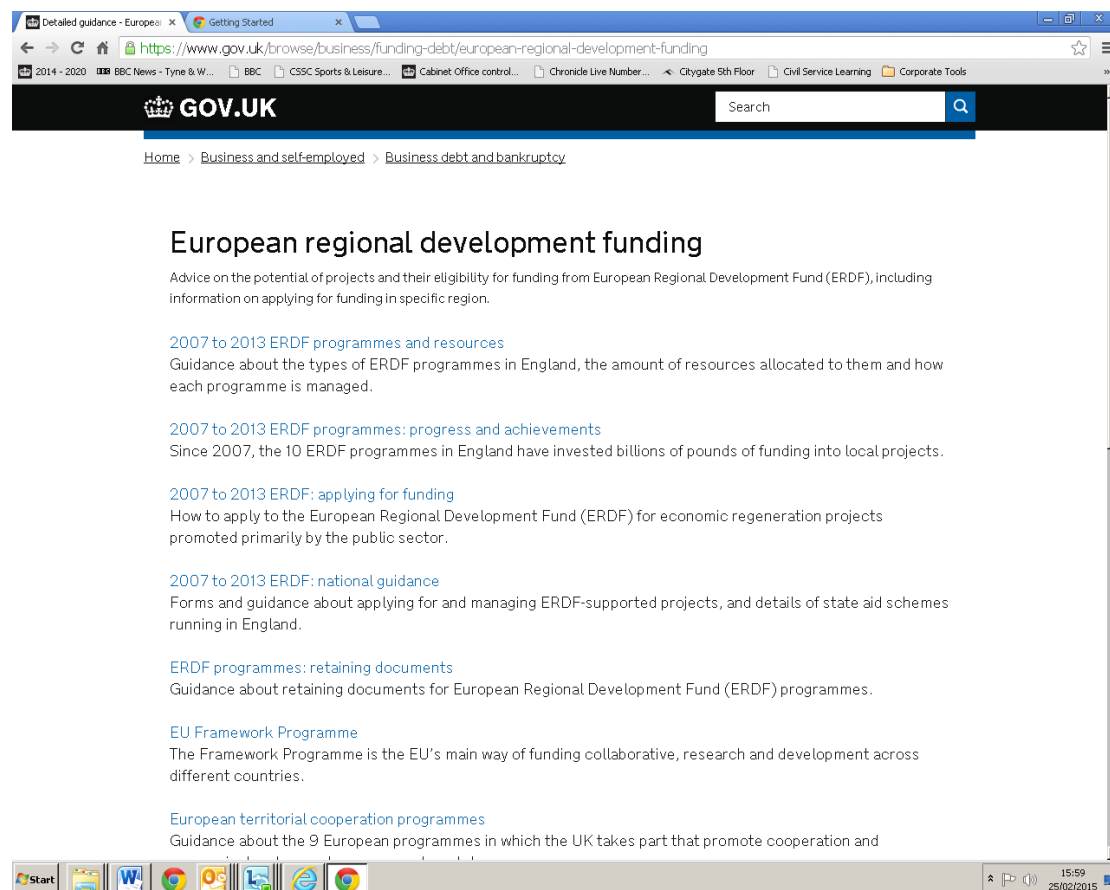
Within the framework of the gov.uk website, which brings together government information and services, the ERDF section provides resources for the standardised Programme in a user-friendly format, including:

- Programmes and resources – describes the priorities and funding allocation for each region. The Yorkshire and the Humber section provides links to the Operation Programme, and a Guide to the help provided to local businesses by ERDF-funded projects.
- ERDF Programmes: how they are managed – provides information on Local Management Committees, including information about the Yorkshire and the Humber LMC sub-committee, and meeting minutes.
- ERDF Programmes: progress and achievements – contains various documents relating to Programme achievements, including a summary of beneficiaries for each Programme, copies of bulletins, AIRs and mid-term evaluations.
- ERDF: applying for funding - outlines the application process for each region. The Yorkshire and the Humber section contains information on the current calls for proposals and links to relevant guidance.
- ERDF: national guidance – contains links to relevant ERDF forms, guidance, the ERDF handbook, local Programme guidance and state aid information.
- The website also includes sections on the EU Framework Programme, European territorial cooperation Programmes, document retention for previous Programmes and the Reuniting Europe Programme.

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 receive the relevant information that they need under the revised headings:

- 2007 to 2013 ERDF programme and resources
- 2007 to 2013 ERDF programmes: progress and achievements
- 2007 to 2013 ERDF: applying for funding
- 2007 to 2013 ERDF: national guidance
- ERDF programmes: retaining documents



7.6 PRACTITIONER'S NETWORK

An information and good practice sharing network for people working on ERDF funded projects was established in 2012 to enhance delivery, outcomes and address specific compliance weaknesses.

The network has members drawn from the contracted projects. The focus of the network is to provide practical advice and sharing of best practice through targeted workshops and bulletins to those involved in the operational development and delivery of ERDF proposals. The following workshop took place in 2014:

Indicators – Delivering, capturing & reporting 1 April 2014

In addition to the workshops, the Finance team responded to numerous ad hoc requests for external training support on MCIS, the ERDF claims processing and management information system – either in one to ones or group sessions.

7.7 GUIDANCE AND ADVICE

General advice to practitioner colleagues about the suitability and compliance of proposed project activities is given by the contract managers. Advice is delivered via email, telephone or in person whichever is most appropriate.

7.8 ANNUAL IMPLEMENTATION REPORT

The AIR for 2013 was submitted via SFC in advance of the deadline and was deemed admissible on 3 July 2014.

ANNEX A

Yorkshire and the Humber Competitiveness and Employment Programme 2007 – 2013

Beneficiary Data 2014

Programme No. CCI UK 162 PO009

BENEFICIARIES CONTRACTED IN 2014

Name of Beneficiary	Name of Operation	P	Total ERDF Contracted	Total Public / Private Match Contracted	Start Date	End Date	Description
PERA Consulting (UK) Ltd	MAS Yorkshire and the Humber ROR	2	€1,545,453 (£1,275,863)	€1,514,775 (£1,250,537)	01/09/2013	31/03/2015	This project will support Manufacturing SMEs to improve productivity and competitiveness through increased innovation, the implementation of sustainable business practice and development of advanced engineering capability.
CTP (Wakefield) Limited	Sheffield Core Office Provision (3 St Paul's Place)	2	€8,313,966 (£6,863,672)	€2,771,322 (£2,287,891)	01/01/2010	31/12/2015	The project will develop a high quality Grade 'A' office building in the central core of Sheffield City Centre to help support the expansion of the Financial and Business Services (FBS) sector in South Yorkshire. The development will complete the successful Heart of the City Programme and will target a BREEAM rating of excellent.

Satori Estates Ltd & Henry Boot Developments Ltd and Springwell	Northfields Advanced Industrial Park	4	€1,956,711 (£1,615,381)	€3,136,069 (£2,589,011)	01/10/2011	30/09/2015	Northfields Advanced Industrial Park is a high quality development of three units totalling 4132 m ² designed for industrial businesses of the future. It is located on a reclaimed site in the heart of Rotherham's most deprived areas at Parkgate, a Tier 2 assisted area.
Street Developments (No.1) Limited	Capitol Park, Thorne, Doncaster	2	€7,814,844 (£6,451,617)	€8,663,631 (£7,152,341)	01/12/2013	30/09/2015	The project will be targeting at industrial and commercial accommodation totalling 14,205 m ² , aimed at food and drink, financial and business services sectors. The 14 units will range from 836 m ² to 3,344 m ² ensuring a flexible offer for the potential growth markets. Of the 18 units, 4 already exist and will be refurbished and brought up to a standard suitable for the target sectors.
Watergate Developments Ltd	Centre for Digital Innovation - C4DI	2	€4,976,870 (£4,108,701)	€9,561,099 (£7,893,254)	01/10/2013	30/06/2015	The project seeks to support and enhance business growth and sustainability in digital and related industries in Hull and its sub region. The objective of the project is to create and safeguard high value jobs and businesses by creating specialist space to support the growth of the sector and create a C4DI Hub (Block D) of activity in Hull's Fruit Market area in the Old Town. It is a private sector-led scheme on a site owned by the applicant and Hull City Council. The project comprises provision of a managed workspace/incubator building themed around digital innovation and co-located grow on space for larger SMEs, flood protection and site remediation works, including to the derelict and silted up Dry Dock.

East Riding of Yorkshire Council	Growth Initiative (LEBGI)	3	€913,201 (£753,902)	€955,607 (£788,910)	01/04/2014	30/09/2015	The Local Enterprise Development & Business Growth Initiative's main aims are to increase the region's enterprise activity and business start-up rates in deprived communities and those disadvantaged by their rural location and to under-represented groups, by delivering start up support at various stages of the business start-up phase, Enterprise Coaching and the creation of Local Entrepreneur Networks.
Media Solutions Ltd	Digital Media Exchange	3	€644,545 (£532,110)	€644,545 (£532,110)	01/10/2013	30/06/2015	<p>Digital Media Exchange is an 18-month successor project to the ERDF P3 funded Sheffield Community Network. The project will support digital media entrepreneurs to engage in cross-platform production for radio, television, web and mobile, building on existing infrastructure previously supported by ERDF and benefiting from investment in a new local television channel for Sheffield. It draws on the resources of an established city-wide network of neighbourhood centres and specialist delivery partners to encourage active participation in the digital and knowledge driven economy, to promote jobs and enterprise, and to connect disadvantaged communities with high growth development in the CDI sector.</p> <p>The project will raise ICT awareness and catalyse new enterprise ideas. It will provide step-up facilities, including hot-desks, equipment, studios, technical support, mentoring, specialist social enterprise support and access to platforms for digital content distribution. The project will support new and existing social enterprises and SMEs, creating new jobs and safeguard existing jobs. It will also strengthen community voices, improve access to knowledge, information and services, build a culture of innovation,</p>

							creativity and social enterprise, and contribute to effective communication strategies and ICT usage for community regeneration.
Workpods Limited	Fountain Court Podworks	2	€1,816,950 (£1,500,000)	€1,829,499 (£1,510,360)	01/06/2012	30/06/2015	The project provides 41 workpods totalling 5,760 m ² of new business space adjacent to Doncaster Airport targeted at SMEs in growth sectors, together with infrastructure for a further 15 units.
Benell Ltd	Robin Hood Airport	2	€1,802,818 (£1,488,333)	€1,802,818 (£1,488,333)	01/09/2012	30/08/2015	<p>This project involves the purchase and development of a 1.01 hectare brownfield site located within Robin Airport Business Park, Doncaster to provide 4,088 m² (44,000 ft²) of speculative industrial workspace accommodation designed to offer modern, flexible business space and ideal growth opportunities for companies in manufacturing technology related sectors.</p> <p>The current dearth of supply in the property market in Doncaster of new, high quality floorspace is stifling the growth of occupiers in the area. The development of new units will alleviate this shortage and ensure companies have the ability to expand their operations.</p>

Motorhog Holdings Limited	Tower House Lane	2	€1,908,986 (£1,575,981)	€2,205,209 (£1,820,531)	01/06/2014	30/09/2015	<p>Tower House Lane is a brownfield 8 acre (3.24ha) site adjacent to Hedon Road to the east of Hull within East Riding. The proposal is to demolish the majority of existing buildings (mainly dilapidated), retaining one building for refurbishment (1,260 m²). New units will be developed comprising 13 terraced units, in 2 blocks (2,570 m²) and a single larger unit (2,522 m²) which will be predominantly occupied by the applicant. The 13 new terraced units are the ERDF project, and it is anticipated that companies will be attracted to the location by the presence of the recycling operation.</p> <p>The units will be built to BREEAM “very good” standard and marketed at companies in growth sectors including environmental industries, and companies in the applicant’s supply chain.</p>
Stoneferry Estates Ltd	Kingston Parklands	2	€3,080,956 (£2,543,512)	€7,297,913 (£6,024,860)	01/10/2012	30/09/2015	<p>The project will open up and service the majority of the site and provide Phase 1 of a 6 Phase development which will ultimately provide 15,615 m² of floorspace across 15 units. Phase 1 includes the development of approximately 3,900 m² of new floorspace, through the construction of three 3-storey interlinked units, together with infrastructure to the whole of the site.</p> <p>End user usages of the development are anticipated to be primarily from the Advanced Engineering and Metals and Environmental Technologies sectors although the quality of the build will also lend itself to businesses in the creative and digital sectors.</p>

Carnell Management Services Ltd	Bullrush Grove, First Point, Doncaster	2	€1,731,407 (£1,429,379)	€2,798,743 (£2,310,528)	01/07/2014	30/09/2015	The development of a new 5,580 m ² technology park for knowledge based start-up businesses within 13 new build hi-tech units in a mix of sizes.
Ernest V. Waddington Limited	Vantage Riverside, Sheffield	2	€1,330,685 (£1,098,559)	€2,837,517 (£2,342,539)	01/10/2013	30/09/2015	The development of a new 5,960 m ² business park for knowledge based start-up businesses within 10 new build hi-tech units in a mix of sizes from 425 m ² to 1,260 m ² .
The Borough Council of Calderdale	Sowerby Bridge Copley Valley (SBCV)	2	€2,667,877 (£2,202,491)	€3,070,117 (£2,534,564)	01/10/2013	30/06/2015	The project will unlock a derelict site through the creation of a new access road by April 2015. This will enable the creation of 69,000 sq ft of new employment space by December 2016 for new and growing business in the Upper Calder Valley. The project also improves connectivity with the Holmes Road employment area in Sowerby Bridge town centre.
Rotherham Metropolitan Borough Council	Pool Green Infrastructure	4	€1,412,699 (£1,166,267)	€2,277,738 (£1,880,408)	01/04/2014	30/06/2015	The project will convert the Pool Green roundabout on Centenary Way into signalised cross roads improving a key gateway into Rotherham in terms of the junction's traffic flow performance. The improvements in traffic flow performance will contribute to the economic development of Rotherham through improved access to key employment sites. Improvements in traffic flow will reduce public transport journey times and above ground crossings for pedestrian users will make the junction safer and more attractive for people accessing the Town Centre. The project contributes to local, City Region and national priorities to support the economic growth

							through creation of jobs and improve infrastructure.
Teesside University	Graduate Spark Yorkshire and Humberside	1	€364,136 (£300,616)	€218,739 (£180,582)	01/10/2013	30/09/2015	<p>The Graduate Spark project will provide regional business support to Yorkshire and Humber SMEs by identifying recent graduates (i.e. graduated within 12 months) with specialist skills and mature graduates with industrial experience with relevant higher level skills, matching them with employment opportunities and placing them with regional companies on a placement and knowledge exchange basis for 26 weeks. This project will be opened to businesses across the Yorkshire and Humber and will assist businesses to grow and develop and, where possible will assist SMEs in focusing on their leadership and management potential alongside innovation and product and process development.</p> <p>The project will consist of two, interlinked strands of activity:</p> <ol style="list-style-type: none"> 1. Graduate Spark Internships Programme – a 26 week graduate placement programme, with support from the University; again this will be available to graduates from across the country, but will be exclusively targeted at SMEs within the Yorkshire and Humber region. 2. Knowledge Exchange Internships Programme (KEI) – where SME needs are more technical and require not only highly skilled graduates, but also an in depth expert knowledge of a specific subject area, they will be offered a 26 week graduate placement, alongside academic or expert practitioner support from within the University.

Sheffield City Council	Grey to Green Phase 1 - Sheffield Riverside Business District	4	€1,727,314 (£1,426,000)	€2,590,971 (£2,139,000)	31/03/2014	31/12/2015	<p>The project is expected to transform the quality of the environment and public realm of the Riverside Business District, both to provide an appropriate level of connectivity and facilities for those already living and working here, but also to promote significant new inward investment into what is the financial and legal quarter of the city. There are two development sites adjacent to the area subject of this funding application, West Bar and The Courts, which should benefit from the environmental improvements proposed.</p> <p>The proposed scheme will make direct and clear connections with the city centre, and, crucially, will create a very high quality and distinctive sequence of public spaces that will enhance the image and potential of this district, but which will also make this area a destination in its own right.</p>
Harworth Estates Investments Ltd	Advanced Manufacturing Park, Waverley	2	€1,398,246 (£1,154,335)	€752,902 (£621,565)	01/10/2013	31/07/2015	<p>The scheme provides land remediation and enabling infrastructure to unlock the next phase of development at the Advanced Manufacturing Park (AMP). The scheme comprises four projects:</p> <ul style="list-style-type: none"> • a water supply upgrade to address capacity constraints; • a foul sewer upgrade to address capacity constraints; • land remediation to create a 9 hectare plot • an upgrade to the main access road. <p>The scheme enables the next phase of expansion for the AMP, directly supporting the ERDF aim of sustainable urban development, and particularly focussing on the Advanced Manufacturing, Engineering and Materials sector.</p>

Sheffield City Council	Remediation of the former Don Valley Stadium Site	4	€2,811,856 (£2,321,354)	€4,531,722 (£3,741,205)	30/05/2014	30/06/2015	<p>Following the closure and subsequent demolition of the Don Valley Stadium Sheffield City Council would like to remediate this important gateway site an attractive location for promoting sustainable development and growth in the local knowledge economy.</p> <p>The Council are progressing the development of the New East End Academy on part of the Site due to commence in September 2014. This project is adjacent and makes 4.8 hectares (12 acres) available for development.</p> <p>Low level contamination exists across the site with localised hot spots. Severely contaminated fill will be removed from site and the bulk will be cleaned and retained on site. Much of this is in mounds constructed for the former stadium use. These mounds will be distributed over the site and reallocated to the reduced level platform of the former running track on the schools land. This opportunity offers a considerable cost saving on disposal off site. Following clean up a membrane is to be installed over much of the site overlain with top soil and recovered material to create a development platform and safe open space.</p>
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The University of Sheffield	AMRC Factory 2050	1	€12,113,000 (£10,000,00)	€12,113,000 (£10,000,000)	01/01/2014	30/09/2015	The aim of Factory 2050 is to build the UK's first fully reconfigurable assembly and component manufacturing demonstrator facility for a total cost of £20million (£10million ERDF). The term 'reconfigurable' is a general term used to describe a wide range of initiatives including highly adaptive, self-aware manufacturing systems, which will use automated self-learning, adaptive control, dynamic knowledge sharing, highly integrated sensor networks, innovative human-machine interaction mechanisms, process modelling, virtual reality and modelling, plug and play robotics and machining systems and intelligent fixturing.
Marshall Construction (West Yorkshire) Limited	South Kirkby Green Business Park	2	€1,315,204 (£1,085,779)	€1,519,289 (£1,254,263)	01/07/2013	31/03/2015	The project will seek to address market failure in the sub region's property market and provide three units totalling 30,000ft ² (2787 m ²) designed to accommodate SMEs in environmental industries, advanced manufacturing sectors. These will be constructed on a reclaimed brownfield site situated in one of the most deprived areas of Wakefield, South Kirkby, which is an Assisted Area. In addition, infrastructure will be provided to access the remainder of the site, totalling 11 acres (4.45ha) including the land on which the three units are located. All will be achieved by June 2015. The three units 743 m ² , 929 m ² and 1,115 m ² will be constructed to BREEAM "very good" standard and marketed to the growth sectors identified above. When fully occupied, the three units will accommodate up to 120 jobs in growth sectors, with a focus on employment from the sub region's depressed and deprived pool of labour via liaison with the local authority's regeneration department and job centres.

ANNEX B

Yorkshire and the Humber Competitiveness and Employment
Programme 2007 – 2013

Financial Engineering Instruments

[to be added]

