



Department for
Communities and
Local Government

European Regional Development Fund

England Operational Programme
2014 to 2020

Executive Summary



European Structural and Investment Funds
Growth Programme for England (2014-2020)

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Introduction

The Government is setting up a single European Structural and Investment Funds Growth Programme for the 2014-2020 funding period. The Growth Programme will combine three separate European Funds. These are the European Regional Development Fund (ERDF), the European Social Fund (ESF) and part of the European Agricultural Fund for Rural Development (EAFRD). The total European Regional Development Fund for the 2014-2020 funding period is nearly £3 billion. This sum must be supplemented by national public and private funds.

The Government sent its draft Partnership Agreement to the European Commission (EC) on 17 April. That document described the current economic situation in the UK and set out the principles for using European funding to promote growth and inclusion. This document is the next step. It describes how the Government will use ERDF to promote growth in England in line with the principles set out in the Partnership Agreement.

The Government believes that growth is best driven at local level. So the vast majority of the Funds within the Growth Programme have been allocated to Local Enterprise Partnership areas in England, devolving more power and funding down to local areas compared to previous programmes. The Programme reflects what local partners have told us about the best way to deliver growth in their areas, and has been designed to give them the flexibility to do so.

The Government also believes that simplicity is best. So the way in which the Funds are administered will be streamlined, making it easier for applicants to get funding and ensuring money is not wasted on unnecessary red tape.

Each Fund needs to have a separate national programme document which sets out the priorities and activities that each will support. This document is known as an Operational Programme and must be agreed with the EC. It identifies the areas in the English economy where ERDF could have the biggest impact on growth and explains what will be spent, how and what it will deliver.

The Operational Programme is a long and technical document which must be written in a format prescribed by the EC. This summary sets out and explains the key elements of the Programme.

Section one: how the Fund contributes to growth

How the Operational Programme contributes to national and European strategies for growth and the achievement of economic, social and territorial cohesion

1. This section sets out how the Fund will contribute to growth in England and more widely to delivering smart, sustainable and inclusive growth.
2. In terms of Gross Value Added and productivity, England has the strongest economy in the UK. The economy is strengthening after a deep recession, and in 2013 the economy grew by 1.8%.
3. However some parts of the country are much better off than others. This is more complicated than a simple distinction between north and south or the differences between rural and urban areas. There are different sorts of local economy: London, the largest centre of economic activity; prosperous areas such as southern England; city centres; industrial hinterlands; prospering smaller towns; and coastal and countryside areas. And there can be sharp disparities in income within a relatively small area.
4. The main explanation for these differences in economic performance lies in productivity; and that in turn depends on the distribution of skilled workers.
5. The Government's Plan for Growth sets out four ambitions to achieve strong, sustainable and balanced growth:
 - The most competitive tax system in the G20;
 - Making the UK one of the best places in Europe to start, finance and grow a business;
 - Encourage investment and exports;
 - Create a more educated workforce which is the most flexible in Europe.
6. A key plank in making these policies a reality is the creation of 39 Local Enterprise Partnerships whose remit is to take a strategic view on how best to deliver growth and jobs in their areas. They will play a key role in deciding how the Funds are to be used. They have produced strategies which have formed the building blocks for the priorities we have put in this programme.
7. The key priorities identified for promoting economic growth through the ERDF are:
 - Research and innovation
 - Supporting and promoting SMEs
 - Creation of a low carbon economy.
8. In addition local areas have told us they want to support investment which can promote economic growth through activity such as broadband, flood defences, resource efficiency and sustainable transport. So the Programme contains provision for these activities.

Section two: what the Fund will be spent on

Description of the Priority Axes

1. This section sets what the European Regional Development Fund in England will be spent on in local areas. There is a menu of activities set out by the EU in its legislation for the Funds, and the UK's proposed use of the money is set out in the European Structural and Investment Funds UK Partnership Agreement. That framework defines the structure of the English ERDF OP.
2. ERDF and ESF can be spent on a number of objectives defined in EU legislation and known as *Thematic Objectives*. The England programme will cover the following objectives:
 - (1) Strengthening research, technological development and innovation
 - (2) Enhancing access to, and use and quality of, Information Communication and Technology
 - (3) Enhancing the competitiveness of Small and Medium Sized Enterprises
 - (4) Supporting the shift towards a low carbon economy in all sectors
 - (5) Promoting climate change adaptation, risk prevention and management
 - (6) Preserving and protecting the environment and promoting resource efficiency
 - (7) Promoting sustainable transport and removing bottlenecks in key network infrastructures
 - (9) Promoting social inclusion, combating poverty and any discrimination
3. There are three categories of region:
 - More developed: this covers most of England
 - Transition regions:
 - Less developed: only one region in England falls into this category, Cornwall and the Isles of Scilly.
4. Under each thematic objective, EU Regulations define a number of more specific investment priorities. These investment priorities are combined to form what are known as *priority axes*. These set out priorities on which the Programme will be spent. It is proposed that the England programme should contain the following Priority Axes. Unless otherwise specified, all axes will cover all three categories of region. We are also required to include output indicators under each of the investment priorities using all of the relevant common indicators provided by the European Commission. Details of these, and the types of interventions which can be undertaken, can be found in the full version of the Operational Programme, along with information on the performance framework linked to the performance reserve.
5. The Government encourages use of a range of match funding and approaches to deliver these objectives. Financial instruments have proved valuable in leveraging funding in previous programmes and the Government is keen to see them used in this programme. The aim of a national programme is to give flexibility across England, and the Government encourages areas to collaborate on promoting growth through ERDF.

Priority Axis 1: Strengthening research, technological development & innovation

Expected ERDF spend: 19.6 per cent

6. **Innovation, both the radical innovation of new products and processes and incremental innovation of existing products and processes is essential to increasing productivity and economic growth.**
7. Across England, there is also wide variation in the levels of collaborative research between large enterprises, research institutions and public institutions. **There is potential for universities to further support small and medium sized enterprises through consultancy and contract research, and continued professional development.**

Use of European Regional Development Funds

8. The range of interventions under this Priority includes but is not limited to:
 - **promoting business investment in research and innovation**, including through the attraction of new companies and inward investment, especially where the purpose is to help SMEs bring new products and processes to the commercial markets,.
 - **developing links, synergies and joint activity between enterprises, research and development centres and the Higher Education sector**, including the development of innovation centres that combine physical space for innovative firms with specialist support services or equipment needed for the commercialisation of new products.
 - **facilitating the development of spin out companies** from Higher Education institutions and other research centres
 - **promoting investment in product and service development**, including social innovation, eco innovation and public service applications, including the development of new solutions through public service procurement.
 - supporting, including through capital investment where necessary, the **development of existing (and a limited number of new) enterprise, innovation and technology hubs and centres of excellence**, manufacturing clusters and the development of appropriate test facilities, pilot lines and advance manufacturing capabilities
 - **driving demand for innovation, including through business engagement and the provision of advice**, support for networking and clusters of innovative firms and those firms seeking to become innovative, business-to-business collaborations, especially where actions seek to build systems and cultures of open innovation

9. The support provided through this priority will aim to increase the number of enterprises actively innovating to bring new products and/or new processes to the market and collaboration with large enterprises, research institutions and public institutions. The projected number of enterprises receiving support from the funds (including match funding) by 2023 is 33463.

Priority Axis 2: Enhancing access to, and use and quality of, Information Communication and Technology

Expected ERDF spend: 3.4 per cent

10. **The provision of superfast and ultrafast broadband can have a strong impact on economic growth.** The Europe 2020 target is to deliver above 30Mbps (megabytes per seconds) superfast broadband across the entire European Union and 100Mbps ultrafast broadband for 50% by 2020. Access to and effective use of broadband can stimulate company growth, market development, knowledge flows, new businesses and improved productivity as well as access to the labour market for specific excluded groups, such as carers and some disabled people. The spill over effects of broadband investment is discussed in more detail in the Partnership Agreement.
11. Analysis of local needs and opportunities has identified two specific challenges:
- **Co-investment with private investors and other public funders to improve the speed and coverage of broadband infrastructure where appropriate.**
 - **Measures to stimulate demand such as business support projects to increase awareness of the benefits of superfast broadband uptake amongst and improved use of in small and medium size enterprises. (2b)**
12. The support provided through this priority will improve ICT connections, so they are no longer a barrier to growth for businesses and will help them to improve their productivity, growth and create jobs, in turn increasing the percentage of businesses which use superfast broadband. This also will help SMEs to access ICT products and services including broadband and improve their productivity. The projected number of additional businesses with broadband access of at least 30mbps receiving support from the funds (including match funding) by 2023 is 5,769.

Priority Axis 3: Enhancing the competitiveness of Small and Medium Sized Enterprises

Expected ERDF spend: 38.8 per cent

- 13. There is a wide variation in the competitiveness of small and medium sized enterprises.** The majority do not show growth in any given year. Separate research shows that only approximately seven per cent of small and medium sized enterprises between 2002 and 2010 could be classified as 'high growth' according to the Organisation for Economic Co-operation and Development definition and these were responsible for creating nearly a quarter of all new jobs over three years.
- 14. There are various factors that limit the ability of a small and medium sized enterprise to grow:**
- Business owner awareness of and access to business support. Businesses report significant benefits from using business information and advice. However, less than half of United Kingdom small and medium sized enterprises currently use business support due to difficulties in accessing information or advice and; doubts about the benefits of business support;
 - The internal capacity and capability of a business including their ability to innovate;
 - The external environment including procurement, access to finance and exporting.
- 15. Access to finance is a particular area of difficulty for small and medium size enterprises.** While 38 per cent of small and medium sized enterprise employers consider obtaining finance an obstacle to their business success, seven per cent of these employers report it as the main obstacle. Finance is also a disproportionately important obstacle for high growth firms compared to other businesses. Evidence suggests there has been a decline not only because of reduced supply of funding but also a reduced demand appetite for risk.
- 16. Exporting small and medium sized enterprises are more productive, innovative and resilient than non-exporting firms.** The contribution of small and medium sized enterprises is significant – contributing to 80 per cent of the quantity of exports. A recent study found that 25,000 to 150,000 non-exporting United Kingdom small and medium sized enterprises have the potential to be competitive in export markets.

Use of European Regional Development Fund

- 17.** Small and Medium sized Enterprises are therefore seen by the EC and by Local Enterprise Partnerships as the highest priority for the 2014-2020 Growth Programme in terms of value of investment, focussed predominantly on access to finance and business support measures. There are three separate investment priorities in this axis which are:

- **Access to finance through grants, loans and equity** to help businesses grow where some groups of Local Enterprise Partnership areas are looking to build on current financial instruments to improve access to finance for small businesses while others look to collaborate to set up **new financial instruments**
- **Business support including advice services for entrepreneurship, commercialisation, and exports;**
- **Business support for new business start-ups;**
- **Premises for SMEs including managed workspaces and business incubators where demand is shown to exceed supply.**

18. The support provided through this priority will aim to increase the growth capability and capacity of Small and Medium Sized Enterprises and in doing so develop the pipeline of future high growth business as well as increase entrepreneurship across England, but there will also be a particular focus on territories with low levels of enterprise activity, and amongst under-represented groups. The projected number of enterprises receiving support from the funds (including match funding) by 2023 is about 65,000

Priority Axis 4: Supporting the shift towards a low carbon economy in all sectors

Expected ERDF spend: 17.3 per cent

19. As discussed in the Partnership Agreement, policies are in place to support the achievement of Europe 2020 targets in relation to greenhouse gas emissions reduction and renewable energy production. England has already met the Europe 2020 target and is now pursuing the more ambitious target set in the Climate Change Act of a 34 per cent reduction on 1990 levels.
20. **There is significant growth potential in the low carbon goods and services sector in England.** This sector grew by 4.7 per cent in the United Kingdom between 2009/10- 2010/11 and now employs nearly 1 million people in 51,000 companies.
21. **There is significant potential to continue to increase energy efficiency in England.** Whilst businesses have increased efficiency there is more potential to do so. As detailed in the Partnership Agreement, Government estimates that through socially cost-effective investment in energy efficiency, final energy consumption in 2020 could be 11 per cent lower than the 'business as usual' baseline.

Use of European Regional Development Fund

22. The UK has reached the EU target level for greenhouse gas reductions and domestic targets for 2020 will be reached through current Government policy interventions. The need to increase the percentage of energy from renewables to meet European Union and United Kingdom targets will be met by large-scale investments. Therefore, the main focus of the European Regional Development Fund should be on smaller-scale investments focussed on needs and opportunities addressed by whole place energy solutions, improved energy efficiency and low carbon innovation in technologies, goods and services. There are five investment priorities in this axis which are:
- Building the market in low carbon environmental technologies, goods and services through a range of financial instruments
 - Increasing energy efficiency and decentralised energy production
 - Increasing innovation in and adoption of low carbon technologies linked to existing strengths and natural assets
 - promoting low-carbon strategies, in particular for urban areas, including the promotion of sustainable transport and energy solutions
23. The support provided through this priority will aim to increase the size of the low carbon environmental goods and services sector in England, increase level of local energy renewables and reduce local carbon emissions, particularly through the production of local low carbon plans. It will also support improvements in the energy efficiency of companies, buildings and communities. The projected number of enterprises receiving support from the funds (including match funding) by 2023 is 28,669

Priority Axis 5: Promoting climate change adaptation, risk prevention and management

Expected ERDF spend: 2.3 per cent

24. Across England, there are areas of land that are ideal for economic development which remain undeveloped due to high flood risk either directly or by investment in green infrastructure. Specific sites include Hull, Greater Birmingham, Greater Lincolnshire and Cornwall and reflect a mix of urban and rural communities and their associated issues.

Use of European Regional Development Fund

25. The Government recognises the need to target European Regional Development Funds on economic growth. Its use within this priority axis will therefore be only where there is significant need to stimulate economic development that might otherwise be inhibited by flood risk. There is one investment priority in this axis which is:

26. The support provided through this priority will aim to increase the amount of land becoming available for site development. The projected number of enterprises receiving support from the funds (including match funding) by 2023 is around 3000.

Priority Axis 6: Preserving and protecting the environment and promoting resource efficiency

Expected ERDF spend: 2.4 per cent

27. There is fragmented coordination between government and industry about how to optimise efficiency in natural resource use and minimise impacts on the environment and this has adverse impacts on businesses that lack effective support and information. Product and service innovation in resource efficiency are not well supported and business opportunities exploited, particularly in Small and Medium Enterprises. So investment under this axis will focus on two key themes: protecting and restoring biodiversity and soil and promoting ecosystem services, and promoting innovative technologies to improve environmental protection and resource efficiency in the waste and water sectors. This will be in the context of promoting local economic development.

Use of European Regional Development Fund

28. The focus of activity within this priority axis will be on protecting and preserving the environment but Government recognises the need also to target the European Regional Development Funds on economic growth. This objective will therefore focus in particular on site development to bring derelict and brownfield land into improved condition where this will unlock employment sites and so deliver economic growth. Activities that enable this may include environmental improvements and innovative technologies to improve environmental protection and resource efficiency.

29. The support provided through this priority will aim to increase the amount of land becoming available for site development for Green infrastructure. The projected number of enterprises receiving support from the funds (including match funding) by 2023 is around 4000.

Priority Axis 7 and 8: Promoting sustainable transport and removing bottlenecks in key network infrastructures

Expected ERDF spend: 2.2 per cent

Development needs and opportunities

30. Across England, there are a number of areas in which potential for economic development has been and will continue to be adversely impacted by poor transport links. This is particularly the case in England's only Less Developed Region Cornwall and the Isles of Scilly where the overall resilience of all transport networks is poor and exacerbated by dispersed settlement patterns and dispersed and poorly connected labour pools

Use of European Regional Development Fund

31. Funding under this objective will aim to improve the economic viability of areas by providing better transport infrastructure including environmentally-friendly and low-carbon transport systems.

32. The support provided through these priorities will aim to improve reliability and connectivity (e.g. through addressing congestion bottlenecks) in specific and low quality sections of the TEN-T network opening up wider markets to local firms and will also improve access to employment sites. Under Priority 8, it will look to improve some connections to the TEN-T network but also to reduce carbon emissions and create more diverse and resilient transport systems in transition regions.

Priority Axis 9: Promoting social inclusion, combating poverty and any discrimination

Expected ERDF spend: 1.3 per cent

33. The Government's 'Plan for Growth' (HMG 2011) and commitment to 'Local Growth: Realising Every Place's Potential' (HMG 2010) seek to support investment in places and people to tackle barriers to growth. This is particularly acute in some urban areas where the increasing role of London and the other English cities as engines for economic growth often masks significant economic disparities and deprivation with their functional economic geographies. Barriers to growth in such areas typically encompass multiple needs and points of disadvantage. Such problems are most effectively tackled through an integrated plan and investment strategy that brings together a range of relevant services and support and which involves local people in its design and implementation.

Use of European Regional Development Funds

34. The 2014-2020 European Structural and Investment Funds provide a mechanism for responding at a targeted local level to the kind of multiple barriers to growth and disadvantage experienced in a local area. This mechanism is known as Community Led Local Development.

35. Community Led Local Development allows for the targeting of regeneration on specific geographic areas of need and opportunity. This is particularly the case in those areas where disadvantages persist in terms of rates of economic inactivity, entrepreneurship, access to the labour market and economic performance and where concentrated support is therefore required.

36. The support provided through this priority will aim overcome persistent barriers to growth and employment in lagging areas or deprived communities and reduce the risk of poverty and social exclusion through improved access to economic growth and development opportunities. The projected number of enterprises receiving support from the funds (including match funding) by 2023 is about 2950.

Priority Axis 10: Sustainable urban development

Expected ERDF spend: 8.7 per cent

The requirements for sustainable urban development are described in section four. They will be implemented through a specific priority axis.

Priority Axis 11: Technical Assistance

Technical Assistance comprises 4% of the programme. It is spent on supporting the administrative costs of the Fund.

37. The objective of Technical Assistance is to facilitate robust governance, accountability and partnership engagement to support the efficient and compliant management and implementation of the European Regional Development Fund, ensuring that programme performance targets are achieved and that the delivery of European and Structural Investment Funds projects are compliant with the relevant European Union regulations.
38. The England Growth Programme 2014-2020 represents a new approach in the delivery of the European Structural and Investment Funds in England. Up to half of the *Technical Assistance budget* will be made available to Local Enterprise Partnerships and local partners to support the delivery of European Structural and Investment Funds strategies in 2014-2020 subject to the requirements set out in European Union regulations.

Section three: how the money will be spent

All figures in Euro

Category of region	PA1 - innovation	PA2 - ICT	PA3 - SMEs	PA4 - low carbon	PA5 -climate change	PA6 - environment	PA7 - transport in cornwall	PA8 - transport in transition regions	PA9 - CLLD	PA10 - SUD	PA11- TA	Total
Less	99275870	19037608	162802095	55562953	11679514	12847466	55244103	0	21023125	0	18228031	455700765
Transition	209857470	34363866	482452278	179297960	41370116	30335600	0	24503621	1522314	23359234	42794269	1069856728
More	402910668	69306701	763964093	394221372	29014191	42203586	0	0	25938137	291035949	84108112	2102702809
Total	712044008	122708175	1409218466	629082285	82063821	85386652	55244103	24503621	48483576	314395183	145130412	3628260302

Section four: Local area options

Integrated approach to territorial development: community led local development, sustainable urban development and European Territorial Cooperation

1. The programme will use a number of mechanisms to allow a specific response to local conditions.

Community-led Local Development

2. Community-led local development allows targeting of regeneration on specific geographic areas. The main target groups will be communities and areas in urban and rural areas where concentrations of deprivation are most in evidence such as those in the 20% most deprived areas by reference to the 2010 Indices of Multiple Deprivation. This form of development is available where the best way to support a community is to give it more flexibility in using available funding to meet particular needs.
3. Activities might include promotion of entrepreneurship and self-employment; support for access to new markets related to climate change; activity linked to renovation of local housing. A wide range of initiatives can be supported.

Sustainable Urban Development

4. 5% of the European Regional Development Fund in each Member State must be spent on sustainable urban development. This means that cities select relevant operations. London will retain its current status in the new programme and as such is in itself likely to deliver the 5% minimum threshold for Sustainable Urban Development in the United Kingdom.
5. However Government is keen to ensure that other cities should be able to participate in the European Union Urban Development Network. So urban authorities in England responsible for areas with a population in excess of 600,000 (according to the latest primary urban area dataset) will be invited to submit proposals to Government to deliver integrated actions for sustainable urban development. They will be invited to submit urban strategies for use of up to 10% of the relevant Local Enterprise Partnership areas' allocations, provided local partners agree. If Government agrees these urban strategies, the relevant cities will be able to select projects appropriate for their delivery. These arrangements will be set out in writing and procedures will be put in place to ensure clear accountability. Cities with urban strategies agreed by Government will be able to access the European Urban Development Network.

Interregional and transnational activities and participation in macro-regional strategies

6. England will take part in European Territorial Cooperation programmes with other member states as specified in EU legislation. Previous rounds of these programmes have not in the Government's opinion been focused enough on economic growth

and some projects have been of questionable value. So this time the UK will only sign up to Operational Programmes where there is a real focus on growth and delivery.

7. England is also by virtue of its location a member of the EU's Atlantic Strategy. Many of the priorities in this are consistent with the actions that local partners with Atlantic coastlines have proposed.

Sections five and six: geographic areas and groups with specific needs

1. These sections are not relevant to the England OP.

Section seven: partnership and implementation

Authorities and bodies responsible for management, control and audit and the role of relevant partners

1. The partnership working arrangements for delivering of the programme once it has been agreed with the EC are described below.

Partnership working: governance

2. Government has established a European Structural and Investment Funds Growth Programme Board to act as a shadow national Programme Monitoring Committee. Once the Programme moves into an operational phase following agreement by the European Commission of the operational programmes within the Growth Programme, the Board will review its membership and terms of reference and act as the Programme Monitoring Committee for the European Regional Development Fund and European Social Fund.

Partnership working: roles and responsibilities

3. The successful delivery of funds within the European Union Growth Programme will depend on close working between the Managing Authorities and Local Enterprise Partnerships who will co-ordinate and bring in local partners on a fully inclusive basis. This will be based on a clear split of roles and responsibilities, and on close and frequent communication at working level. Local Sub-Committees will provide a formal basis for this relationship.
4. The Managing Authority is responsible for managing the Operational Programmes in accordance with the principle of sound financial management. The Managing Authority will do so by working in partnership with economic and social partners and bodies representing civil society at national, regional and local levels throughout the whole programme cycle consisting of preparation, implementation, monitoring and evaluation.
5. Local Enterprise Partnerships will be responsible for coordinating these partners and driving the production and delivery of the European Structural Investment Funds strategy which makes best use of the Funds in delivering growth in their area and reflects the aims set out in the area's Strategic Economic Plan. This wide (Local Enterprise Partnership organised) partnership will collectively bring forward operations which deliver the best balance of outcomes and agree those with the Managing Authority.

Section eight: coordination with other EU funding streams and domestic funding

Coordination between the Funds, the European Fund for Agriculture and Rural Development, the European Maritime and Fisheries Fund and other national funding instruments, and with the European Investment Bank

1. The European Structural and Investment Fund programme is designed to coordinate the European Regional Development Fund and the European Social Fund as well as part of the European Agricultural Fund for Rural Development. LEPs have been asked to put forward strategies agreed with local partners for the use of all three programmes.
2. The European Investment Bank is already a major co-financer of financial instruments in the 2007-13 programme. The Government intends to continue to work with the Bank on the provision of finance for JEREMIEs, JESSICAs and energy efficiency in social housing.
3. European funding must be matched with domestic funding. The Government envisages this coming from a range of sources. The Local Growth Fund, which comes on stream from April 2015, will provide a source of funding. Match funding is also available from UKTI, the Manufacturing Advisory Service and Growth Accelerator.
4. The Government is also keen to see maximum leverage of private match funding, and initial indications from ESIF strategies confirm that this should be a significant match funding component.

Section nine: ex-ante conditionalities

1. This section sets out in technical terms the starting point for growth. It defines for each area what needs to be in place to ensure that funding will have the maximum impact.

Section ten: streamlined administration

Reduction of the administrative burden for beneficiaries

1. Structural Funds are notoriously complex. So the Government has been determined to simplify the administration, learning lessons from previous programmes and designing the new programmes so as to minimise burdens on applicants and remove unnecessary red tape.
2. The key concept in the new system is a single point of access for the customer. ERDF and ESF remain two separate Funds but by bringing the administration together in one place, the Government wants to make access to the Funds much simpler. In future applicants will not have to speak to different sets of people and fill in the same forms over and over again: they will have one way into the system and help finding their way through it.
3. The system is designed to make things as easy as possible once projects are in it. There will be clear signposting on a principle of “no surprises”. The processes for ESF and ERDF will be streamlined as far as European Union regulations allow. And the administration will be digital by default: there will be a single accessible computer system across both Funds holding all relevant information and operating on the principle of “collect once, use often”.
4. Compliance with the complex regulations and audit requirements surrounding the Funds is crucial. So the Government has ensured that lessons are learned from previous rounds of funding, with checks designed in early and carried out to consistent standards.

Section eleven: sustainable development and equalities

Cross-cutting principles

1. The Partnership Agreement sets out the overall approach to the cross-cutting principles of sustainable development and equal opportunities within the Funds. These are required by EU regulations. This section describes the specific actions that will be taken to promote these principles within the England European Regional Development Fund operational programme.

Sustainable development

2. Sustainable development means economic growth that is inclusive and environmentally sound to build shared prosperity, deliver immediate and long-term benefits, and meet the needs of future generations. Decarbonising the economy is key to long-term sustainable economic growth. Businesses need to address increasing costs of energy, water and raw materials, and harness opportunities within the low carbon goods and services sector. Businesses also need to reflect in their planning the resilience of their assets and operations to severe weather events - flooding, droughts, and heat waves.
3. A Strategic Environmental Assessment has been carried out as part of producing the Operational Programme. It found that in some areas such as low carbon technologies the Programme would have a positive effect. There may be some effects from development, but these would be dealt with through the normal mechanisms in the planning system.

Equal opportunities and non-discrimination

4. All European Structural and Investment Funds will promote equality in accordance with European Union and domestic legislative and regulatory requirements. The 2010 Equality Act provides a framework to effectively tackle disadvantage and discrimination.