



European Union

European Structural
and Investment Funds

**European Structural and Investment
Funds
2014 - 2020**

Growth Programme for England

Item 2: Progress on Programmes

(please note this paper should be printed in colour)

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**European Union**European Structural
and Investment Funds**European Structural and Investment
Funds
2014 - 2020****Growth Programme for England****ERDF Programme Update****Purpose:**

To advise the board on progress with European Regional Development Fund (ERDF) Programme delivery to 30 September 2018.

Recommendation(s):

That the Growth Programme Board note the current position.

Summary:**Overall Progress on Contracting**

As at 30 September, 572 projects (including 7 financial instruments) with ERDF funding of £1,510m have been contracted. This represents 46% of the programme budget.

Compared to the previous quarter, to 30 June 2018, this is an increase of 24 contracted projects, for an additional £103m ERDF.

At the end of September there are 434 applications currently being assessed for £786m ERDF. This represents an additional 24% of the programme budget.

Overall Progress by Priority Axis (PA)

The analysis within this document considers the performance framework targets prior to the 2nd programme modification which was agreed during November 2018.

The target reductions now mean that in terms of outputs, **all** the performance framework target achievement levels will be above 65% except for PA 6 Transition regions (based on actuals to 30th October).

In terms of expenditure the change to targets means that the majority of PAs (12 out of 22) currently have actuals above 65%. PA4 Transition, PA5 all CoR, PA6 all CoR and PA8 all CoR will not meet the 65% threshold

Pages 7 - 10 provide detail of progress across each category of region and analysis.

Overall Progress – Expenditure

The managing authority's (MA) focus remains on supporting partners to submit claims in a timely way. Cumulative claims paid by the MA total £506.70m to 30 September 2018, a substantial increase of £150m from the 30 June 2018 total.

Targets and Programme Performance

At the beginning of the year, the MA advised that the n+3 target was challenging, this was further exacerbated by a change in the exchange rate which increased the target by 15%.

A second draw down of funds from the Northern Powerhouse Investment Fund (NPIF) has had a major impact on the claim figures. Additionally, MA contract managers have worked closely with projects to ensure that claims are submitted on time and on profile. A continuous improvement project has also put forward suggestions to improve overall claim processing time.

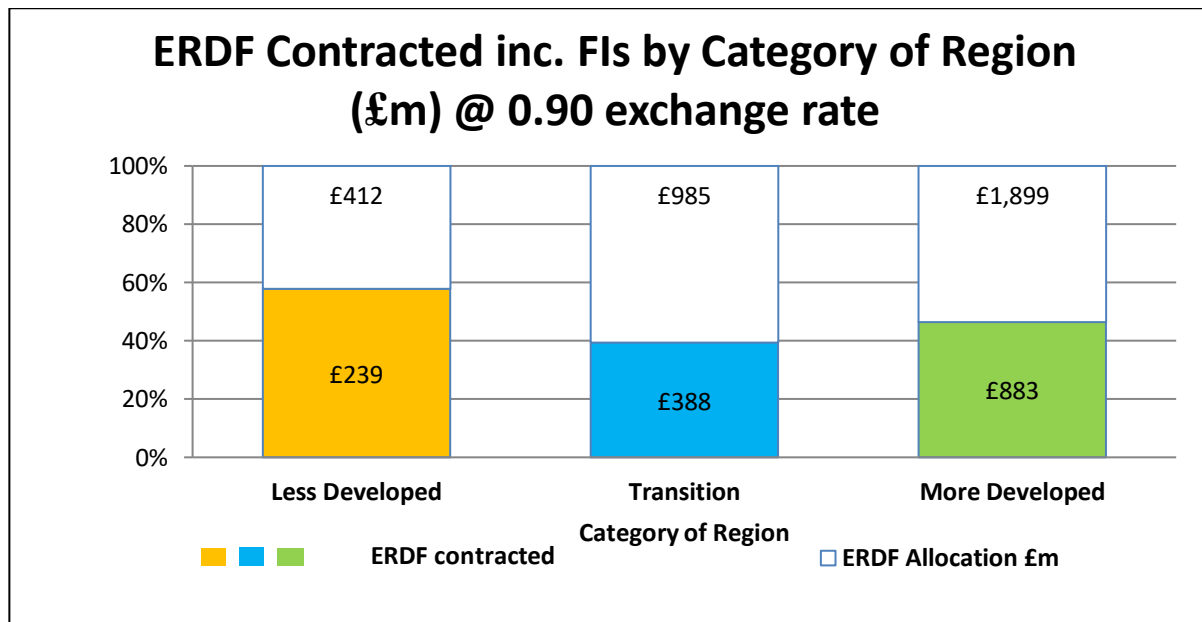
The result is that the MA met and exceeded the n+3 target in terms of claims paid during this quarter – see page six for further details.

Programme Delivery Report to 30 September 2018

1. The ERDF 2014 to 2020 Programme value is €3,649m. Using the exchange rate of €1 = £0.90, values the programme at £3,296m.
2. Forecast expenditure from contracted projects is discounted by 30% to reflect project slippage and audit issues. Forecast performance framework outputs from contracted projects are discounted by 20%. The discounts reflect operational experience from the previous programme.

Programme Budget & Contracting

3. The chart and table below show the amount and % of ERDF that has been contracted by category of region, compared with the programme's allocation (budget).



4. As at 30th September, 46% of the total budget has been contracted. By category of region this is less developed 58%, transition 39% and more developed 46%.

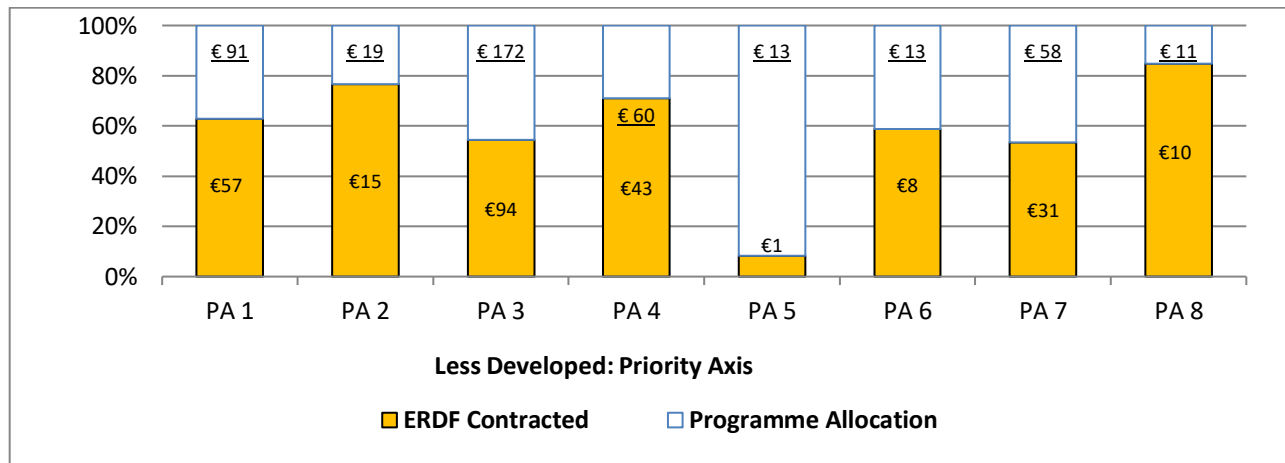
Category of Region	ERDF Allocation £m	ERDF Commitment £m	ERDF Commitment %	ERDF Commitment & Pipeline %
Less Developed	£412	£239	58%	76%
Transition	£985	£388	39%	64%
More Developed	£1,899	£883	46%	74%
Totals	£3,296	£1,510	46%	70%

5. The ERDF value of projects contracted and applications in the system amount to 70% of the programme budget (1,006 projects at £2,296m).

By Category of Region

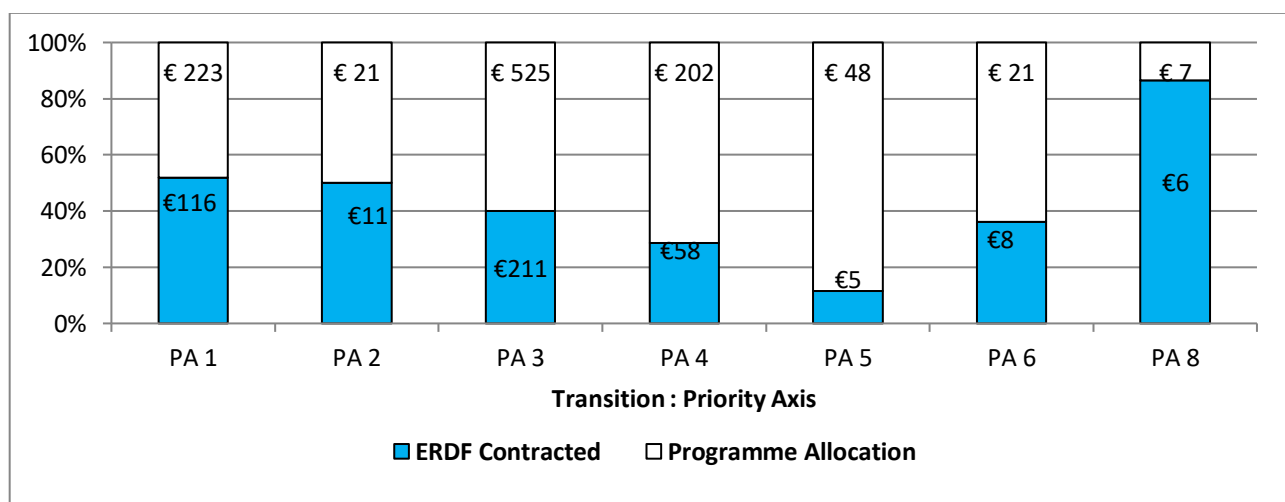
6. The charts & tables below show the contracted % by category of region and priority axis.

Less Developed Region: ERDF contracted by priority axis (€m)



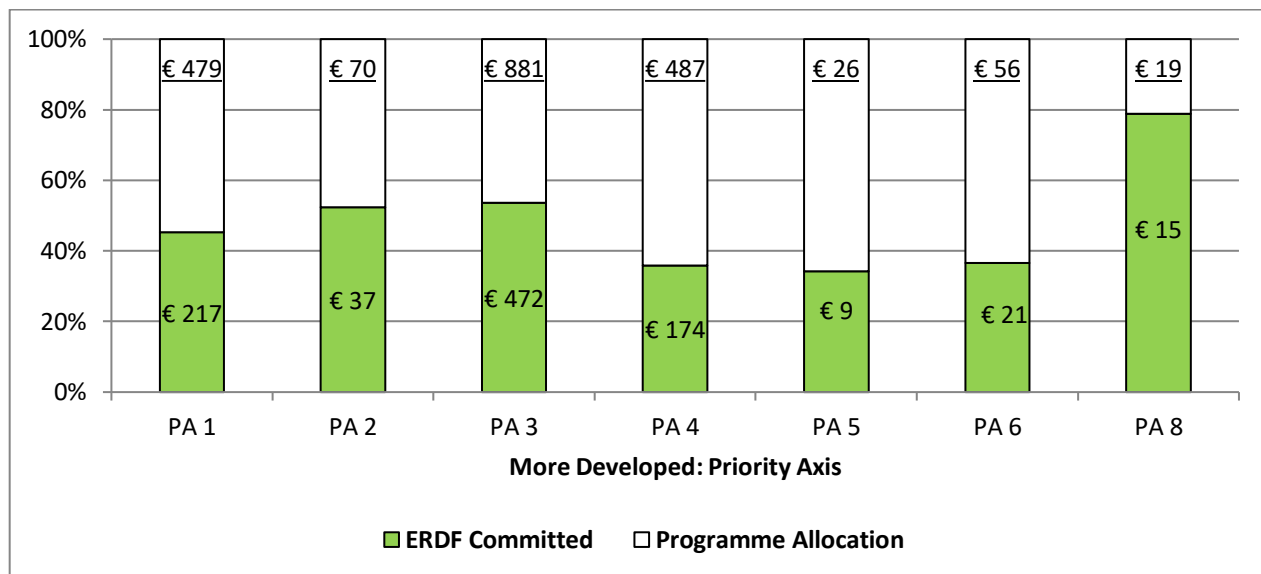
7. As previously reported, the less developed region is making good progress in contracting funds. The chart shows seven of the eight priority axes over 50% contracted. The exception is priority axis (PA) 5 which has contracted limited funds. The issue with contracting in this priority is not unique to the region and is reflected across the programme reflecting the nature of the activity proposed.

Transition regions: ERDF contracted by priority axis (€m)



8. In comparison to the other categories of regions the transition regions are doing less well against contracting targets. The chart shows 3 priority axes that are over 50% contracted - PA1, PA2, and PA8. PAs 3, 4, 5 and 6 are still lagging behind. The low overall contract rating impacts on the ability to achieve the performance expenditure and output targets.

More developed region: ERDF contacted by priority axis (€m)



9. The chart shows that PA 2 and 3 have exceeded 50% funds contracted. Despite improvements throughout 2018 the low overall contracting rates continue to impact on the ability to achieve the 2018 performance framework targets.

N+3 Decommitment Rule

10. The European Commission (EC) will automatically decommit funds for which it has not received an acceptable payment request by the end of the third year following approval of the operational programme.
11. The England Operational Programme (OP) was approved in 2015, therefore the budget stated in our OP for this year has to be defrayed by applicants as eligible expenditure and submitted in a payment application to the EC by 31 December 2018 (with adjustments made for pre-financing). This process then applies cumulatively to future years of the programme in the same manner.
12. The table below shows the N+3 target at OP level for 2018 is €573m (or £517m @ 0.9033 ER). Progress against the target is shown by category of region and at operational programme level. The target is reduced by the value of payments submitted by the certifying authority (CA) to the EC.
13. Five payment applications to the EC, totalling €474m, have now been made by the certifying authority. A further payment application is scheduled for December.
14. An EC Payment Application steering group has been set up, this draws on colleagues from the MA (including Compliance team), CA and the Audit Authority. The group has oversight of issues preventing expenditure from being included payment applications and has developed management information to more closely track expenditure as it passes between the MA and CA.

15. N+3 is based upon the ERDF contribution towards total declared expenditure at the category of region intervention rate rather than the value of actual payments at the project level intervention rates:

N+3 2018	Less Developed	Transition	More Developed	Total
N+3 target for payment claims (€m)	€ 72	€ 168	€ 332	€ 573
Less Payment applications submitted to the Commission at relevant exchange rate by 30 Sept 2018	€ 56	€ 162	€ 256	€ 474
Current gap (€m)	€ 16	€ 6	€ 76	€ 98
MA level: Total eligible cost paid, per category of region, at programme level intervention rate (80%, 60%,50%) - @ 0.9 ER	€ 46	€ 37	€ 107	€ 190

16. The row directly above ('MA level: Total eligible cost paid...') shows the value of claims paid by the MA which were not yet submitted (as at 30 September) to the EC for reimbursement by the certifying authority.
17. As at 30 September claims totalling £506.7m have been paid, this equates to £601m when applying category of region intervention rates. N+3 has therefore been exceeded in terms of claims paid by the MA, even when allowance is made for claims held by Article 125
18. Claims made available to the Certifying Authority during October and prepared for inclusion in the ECPA during November total approximately £250m eligible costs. Given that the gap to meeting N+3 is €98m ERDF the MA is therefore set to meet and exceed the N+3 target.

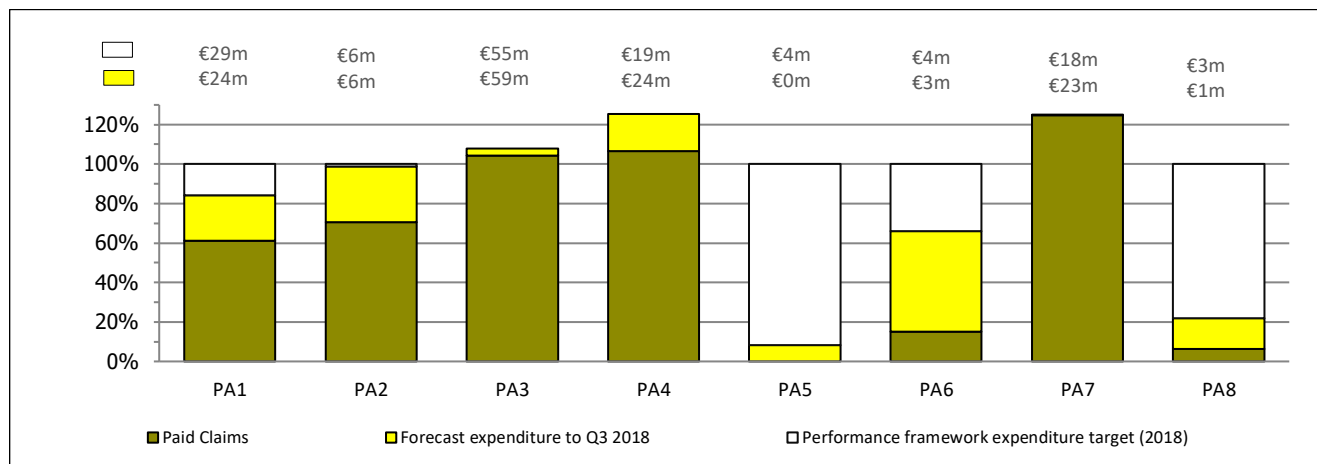
Progress against Performance Framework Expenditure Targets and Outputs

19. The targets in the charts reflect the modification targets to be achieved by December 2018. The targets are set at category of region level and by priority axis (PA).
20. It is important to note that the second programme notification was approved during November. **This has changed the performance picture significantly**; based on actuals to 30th Oct **all** the performance framework output target achievement levels will be above 65% except for PA 6 Transition regions.
21. In terms of expenditure the change to targets means that the majority of PAs (12 out of 22) currently have actuals above 65%. PA4 Transition, PA5 all CoR, PA6 all CoR and PA8 all CoR will not meet the 65% threshold
22. The forecast expenditure from contracted projects has been reduced by 30% for all projects except financial instruments.
23. The forecast outputs from contracted projects have been reduced by 20% for all projects.
24. The reductions are based on anecdotal evidence from the 2007-2013 ERDF programme for expenditure and output slippage rates.

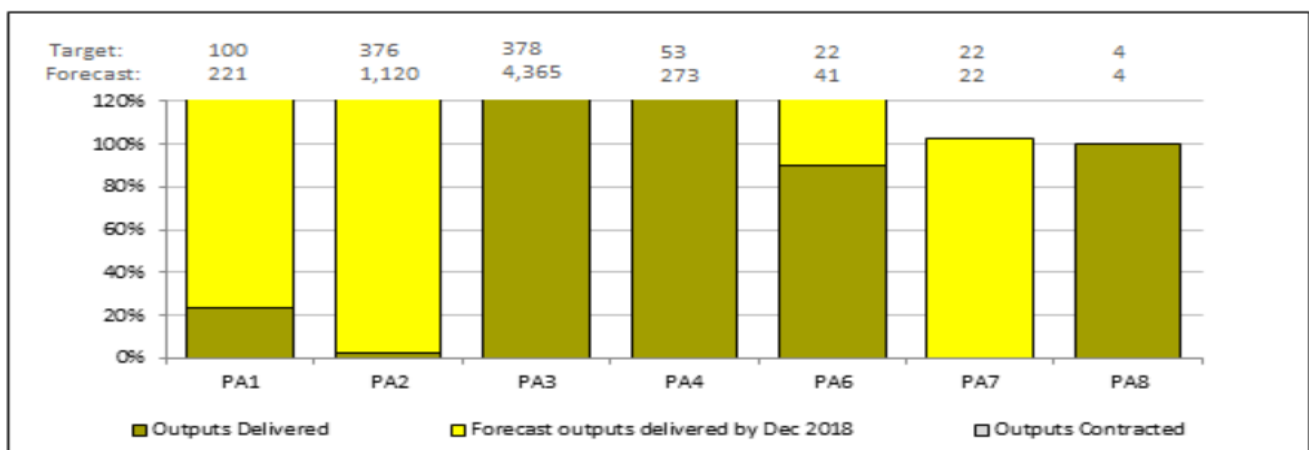
Please see overleaf for charts and analysis as of 30 September 2018 (pre 2nd programme modification) across each of the category of regions.

Less developed region:

Forecast expenditure from contracted projects (less 30% non FIs) against 2018 targets including paid claims (€m)



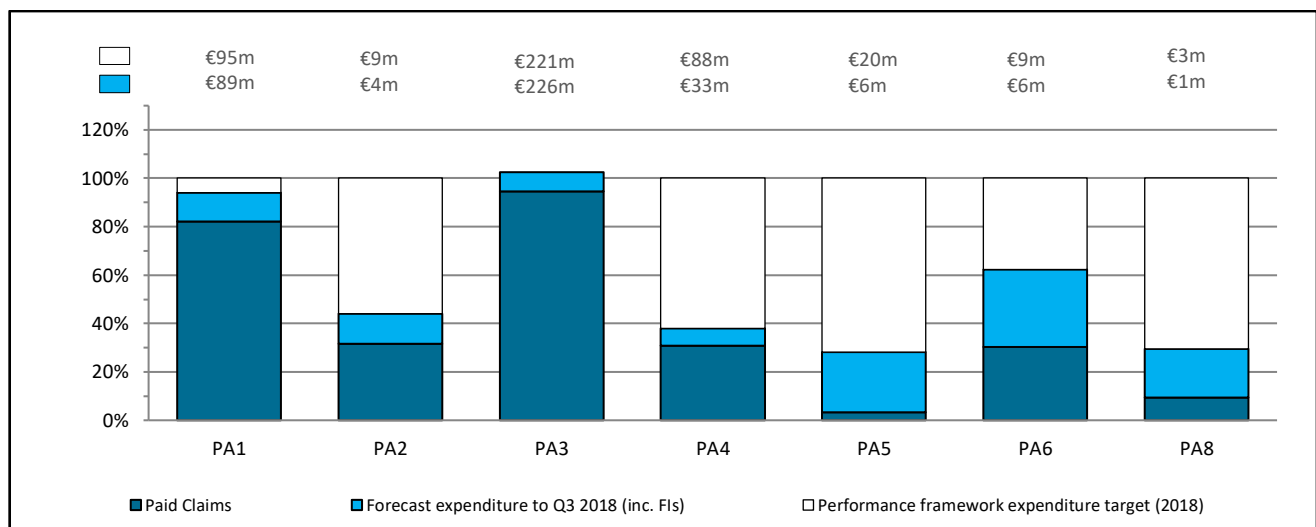
Forecast performance framework outputs from contracted projects (less 20% all projects) against 2018 targets including outputs claimed

**Commentary - Less Developed region**

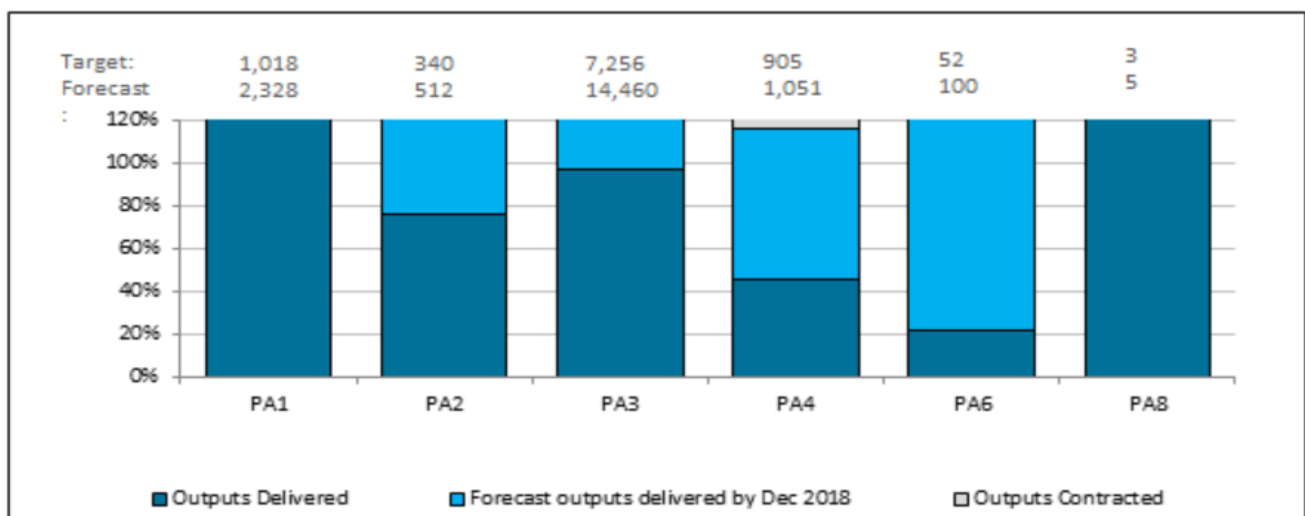
- PA (Priority Axis) 3 reached the performance framework expenditure targets during the period up to 30 September 2018. PA4 and PA7 had already met their performance framework expenditure targets.
- PA1 and PA2 improved to 61% and 71% respectively however PA6 still lags behind. With 15% spent against 51% committed
- PA5 and PA8 will not achieve the performance framework expenditure targets due to limited contracts being in place (PA5) or the processes to go thorough before contracting means it is only recently that funds have been committed (PA8)
- PA3, PA4, PA6 and PA8 have met the performance framework output target.
- PA1, PA2 & PA7, although forecasting to meet the performance framework output target are some way short at present.

Transition regions:

Forecast expenditure from contracted projects (less 30% for non FIs) against 2018 targets including claims paid (€m)



Forecast performance framework outputs from contracted projects (less 20% all projects) against 2018 targets including outputs claimed

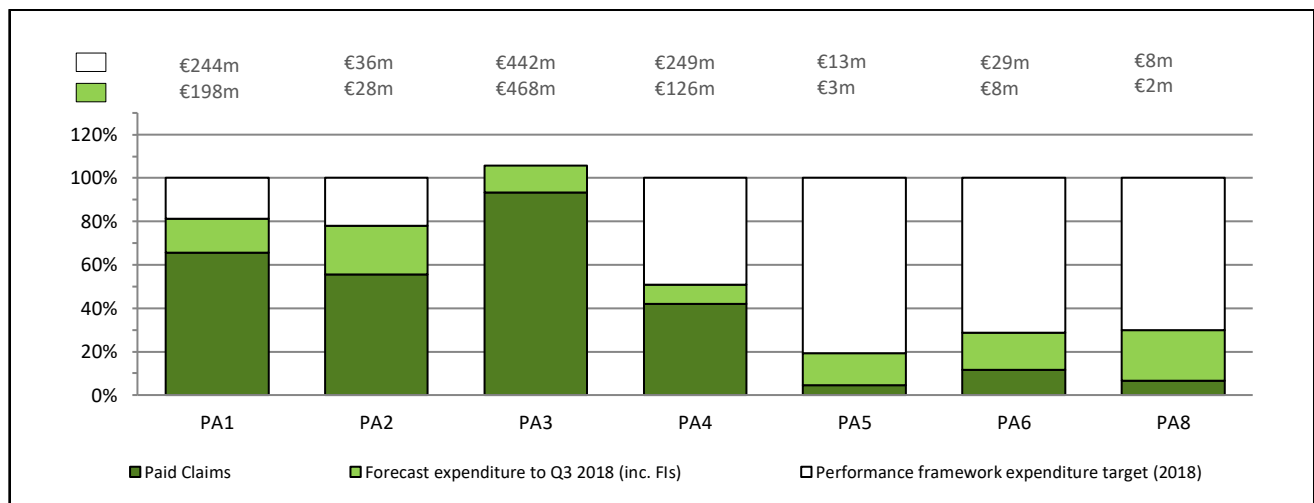


Commentary - Transition regions

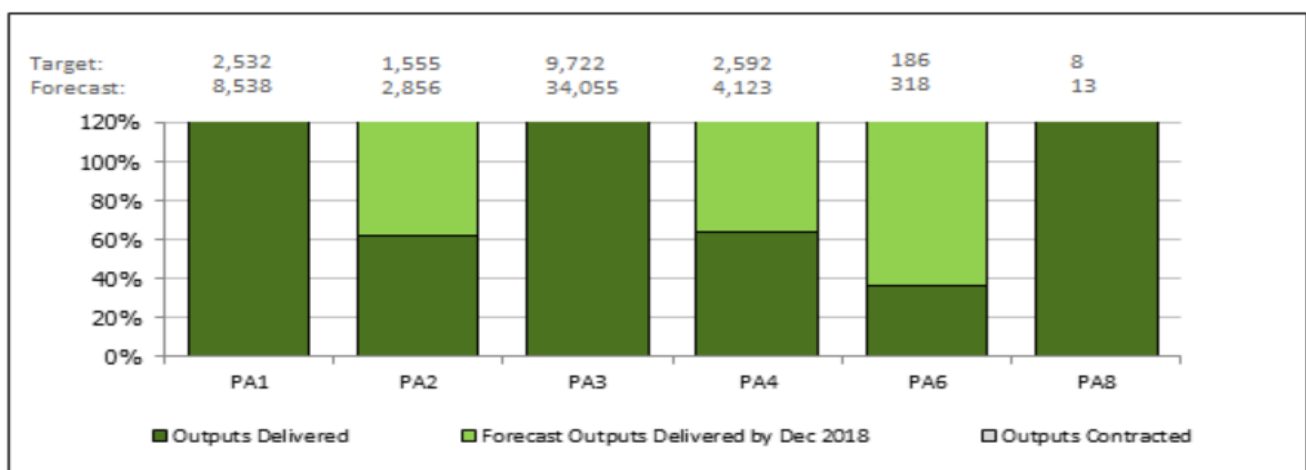
- PA3 has now met the performance target moving to 95% paid during the period. PA1 continues to forecast meeting the performance framework target and now stands at 82%.
- The remaining PAs, despite improvement during the year are not forecasting to meet the performance framework expenditure targets.
- PA3 has now met the target for performance framework output targets – rising to 97% during the period up to 30 September 2018. PA2 has also improved to 75%. PA1 and PA8 have already met the target.
- The overall picture shows that although all PAs are forecast to meet the performance framework output targets, performance needs to pick up across PAs 4 and 6.

More developed regions:

Forecast expenditure from contracted projects (less 30% non FIs) against 2018 targets including paid claims (€m)



Forecast performance framework outputs from contracted projects (less 20% all projects) against 2018 targets including outputs claimed

**Commentary - More developed regions**

- PA3 has now met the 2018 performance framework expenditure targets. PA1 and PA2 are forecasting to achieve 81% and 78% of the target respectively. PAs 4,5,6 and 8 however remain some way short.
- PA1, PA3 and PA8 have met the performance framework output targets.
- PA2 and PA4 have continued to improve significantly with both rising around 20% during the quarter.
- PA6 remains short of the performance framework output targets but has improved significantly from 8% to 36% during the quarter.

Programme call schedule

25. A new call round was published during October 2018 with available funding standing at £513m. Additionally, a further call round has been pencilled in for March 2019. Call rounds after this point are to be confirmed.
26. Details of the response to the October call, including indicative amounts will be shared within a separate paper to the Growth Programme Board.

Sustainable Urban Development (SUD)

27. As promised within the 30 June Growth Programme Board ERDF paper an update has been provided detailing SUD progress to date. Background has also been provided:
28. SUD seeks to support integrated projects which tackle economic, environmental and climate challenges affecting urban areas. In practice, this means projects can straddle more than one Priority Axis and Category of Region. In line with EC Regulation 1301/2013 a) at least 5% of the UK's ERDF shall be allocated to SUD; and b) Intermediate Bodies (IBs) are required for implementation.
29. In addition to the London IB, eight further IBs were designated in the English core regions (combined local authorities and mayoral combined authorities). The IBs drafted local SUD strategies which set out how ERDF will be spent.
30. Each IB has an input to the decision-making process, unlike the mainstream ERDF programme where it resides with the Managing Authority (and GLA in London). Not restrained by the national calls timetable, each IB has launched at least one open call, and applications are at various stages of appraisal.
31. Progress in committing funds varies across the SUD areas. Noting that London had a head-start to commit funds from 2015, SUD areas have launched calls at different times, and had varying application submission and attrition rates, typical of mainstream ERDF.
32. The table below shows overall SUD performance to date:

	£	%
ERDF committed to live projects	£132,471,727	45%
Applications in the pipeline	£81,707,854	28%
Available for commitment	£81,057,304	27%
Total	£295,236,885	100%

33. The following table shows a snapshot of progress in committing funds by SUD area, as at 20 November 2018:

Pipeline						
SUD area	£ ERDF allocation	ERDF committed to projects	outline application	full application + funding agreement	% live + pipeline	Available to commit
Greater Birmingham and Solihull	£11,742,900		£1,112,500	£2,071,129	27%	£8,559,271
Bristol	£3,089,286				0%	£3,089,286
Leeds City Region	£18,020,000		£13,371,172	£660,579	78%	£3,988,249
Liverpool City Region	£11,233,439			£10,446,406	92%	£787,033
Greater Manchester	£24,325,869			£13,477,041	55%	£10,848,828
North East	£21,498,540		£1,353,247	£5,688,967	33%	£14,456,326
Nottingham and Derby	£11,349,965		£364,221	£9,580,605	87%	£1,405,139
Sheffield City Region	£9,726,268			£10,750,145	110%	-£1,023,877
London	£184,250,618	£132,471,727		£12,831,842	79%	£38,947,049
Totals	£295,236,885	£132,471,727	£16,201,140	£65,506,714	73%	£81,057,304

34. With nearly three-quarters of funds already committed or in the pipeline, the overall SUD position compares well with its mainstream ERDF counterpart. Further calls are anticipated in a number of areas with Bristol recently launching its first call.

35. The recent change in the Sterling/Euro exchange rate has increased the total sterling value of the SUD programme by £40m. This has affected the amount remaining to be committed. Some areas which had previously been fully committed on paper, now have additional funding. IBs, in consultation with the MA, will be deciding on appropriate courses of action.

36. The Managing Authority is currently undertaking routine compliance monitoring visits to the IBs to review processes, including governance and decision-making procedures.

37. All SUD projects will deliver against a suite of ERDF outputs. Although London is already reporting outputs, the collective outputs performance of SUD projects will be reported once projects are up and running.

Financial Instruments

38. To 30th September 2018, the programme had seven financial instruments (FIs) contracted for £444.4m ERDF. Six of these have made their first drawdown of funds, and one (Northern Powerhouse Investment Fund) has made its second drawdown.

39. Overall, £138.19m ERDF has been drawn down by FIs, representing 31% of the total ERDF FI funding currently contracted.

40. Looking forward, a further four FIs are in the pipeline for approval before 29th March 2019. These four FIs are potentially worth an additional £54.48m ERDF

Community-Led Development (CLLD)

41. All 21 ERDF CLLD applications have been contracted.

42. Delivery progress continues to be slower than expected, attributable to:

- DWP value for money considerations impacting on approvals
- Local partner capacity and degree of local engagement
- Lead in times for the recruitment/appointment of delivery staff, local design/sign off of local calls & application processes,
- training of local action groups

43. As a result, PA8 is not expected to achieve 2018 Performance Framework expenditure targets. The PF output targets have however been met in terms of CLLD strategies approved.

44. Local Action Groups have now issued rounds of calls & are at various stages of progressing application pipelines, appraising applications, and approving and contracting with end-beneficiary projects.

45. However, the majority of accountable bodies are reporting disappointing responses to calls (on ERDF) and grant applications not meeting LAG assessment criteria resulting in applications not translating into local projects.

46. The joint MHCLG/DWP CLLD Operational Steering group continues to closely monitor the position and is undertaking a detailed performance review and realignment exercise:

- Recovery meetings have been held with CLLDs with the slowest starts and significant slippage (Leeds, Cornwall, Yorkshire Coast);
- An in depth annual review will be held with every CLLD project by the end of 2018 which will discuss delivery progress delivery, call strategies and timetables and project pipelines. Discussions will also focus on undersubscribed calls, reasons why applications are not being approved, and Local Action Group (LAG) responses to these issues; The managing authority will seek plans to improve delivery momentum.

- The CLLD Operational Steering Group will review the outcome of meetings in Q1 2019 and consider any MA actions arising jointly with DWP;
- Proposals to realign local expenditure profiles with local implementation timetables and realistic forecasts will be considered in early 2019 for MA consideration along with any proposals which seek to strengthen local support arrangements.

47. The ERDF MA continues to support CLLD projects in the set up phase on systems, compliance and good practice through audit, compliance and summative assessment workshops.

48. Local external networks have been established in a number of LEP areas including North East, Leeds City Region and Humber/York, North Yorkshire and East Riding Enterprise region to share good practice on compliant management systems and on tools and practices to run effective CLLD programmes.

49. The MA along with DWP is considering options for a national network which will support compliance and facilitate the sharing and learning from local management and delivery experiences.

50. The CLLD Operational Steering Group is also continuing to consider how learning from the CLLD approach may inform future policy/ funding developments.

Compliance

51. The EC requires an annual schedule of first level compliance checks to be undertaken by the MA. The general principle of the A125 on the spot verification visit (OTSV) is to test that ERDF projects and financial instruments (FIs) are delivering their contracted requirements, in accordance with the regulations as set out in (EC) 1303/2013 and identify any potential areas requiring correction. The work undertaken by the Compliance team provides assurance to the EC whilst reducing the impact of irregularities on the MA error rate.

52. Delivery of the 2018 schedule commenced in February; ongoing work resolving outstanding actions from 2017 continues in parallel. A125 OTSV work has picked up pace during the first three quarters of 2018 to enable the maximum number of claims to be released for inclusion in the ECPA:

Visits Undertaken (2016 OTSV Schedule)	Value of claims selected for visit schedule	Total value of claims tested	At Risk	At Risk %	Confirmed Irregularities
142	£ 34,112,936	£34,112,936	£116,552	0.34%	£9,837

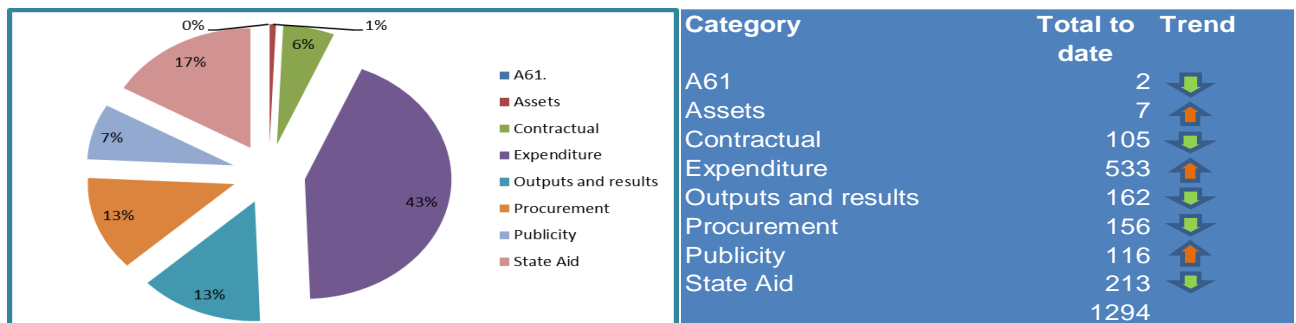
Visits Undertaken (2017 OTSV Schedule)	Value of claims selected for visit schedule	Total value of claims tested	At Risk	At Risk %	Confirmed Irregularities
182	£104,071,832	£104,071,832	£17,027,460	16.36%	£394,261

Visits Undertaken (2018 OTSV Schedule)	Value of claims selected for visit schedule	Total value of claims tested	At Risk	At Risk %	Confirmed Irregularities
177	£116,001,702	£101,781,924	£1,426,093	1.23%	£231,089

Progress on OTSV visit actions to date (all years)

Number of actions raised	Number of actions closed	Actions open	Actions closed after 3 month target
1294	1232	62	168

53. Monthly analysis of A125 visit actions is undertaken. Patterns and trends are identified and this is fed back into the business process; sharing lessons learnt and taking action to address areas of non-compliance. Actions raised are broken down by category below:





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Growth Programme for England

ESF Programme Update

Purpose:

This paper provides a progress update to the Board about activity on the ESF Programme and the progress towards the Performance Framework and N+3 targets.

Recommendations:

That the Growth Programme Board notes the current position.

ESF Programme Highlights:

1. All data provided in this paper uses the exchange rate of €0.88973 (October).
2. Data is as at 31 October 2018 unless otherwise stated
3. The position at the last report (with ESF data to 31 July 2018), is shown in brackets for comparison purposes.
4. At the mid-point of the programme, approximately 50% of the funding has been committed. The MA will be working with LEP areas to commit the remaining 50% over the next 12 months.

N+3:

5. Based upon claims received, the MA is set to achieve the N+3 target at programme level. The forecast at the end of October was 103.65% (the forecast was 101.68% in the last report). The Less Developed (LD) Category of Region and YEI are below target, however this does not mean the target will not be achieved as achievement is measured at programme level. (Real time data to 13 December will be provided to Board members on 18 December).

Performance Framework:

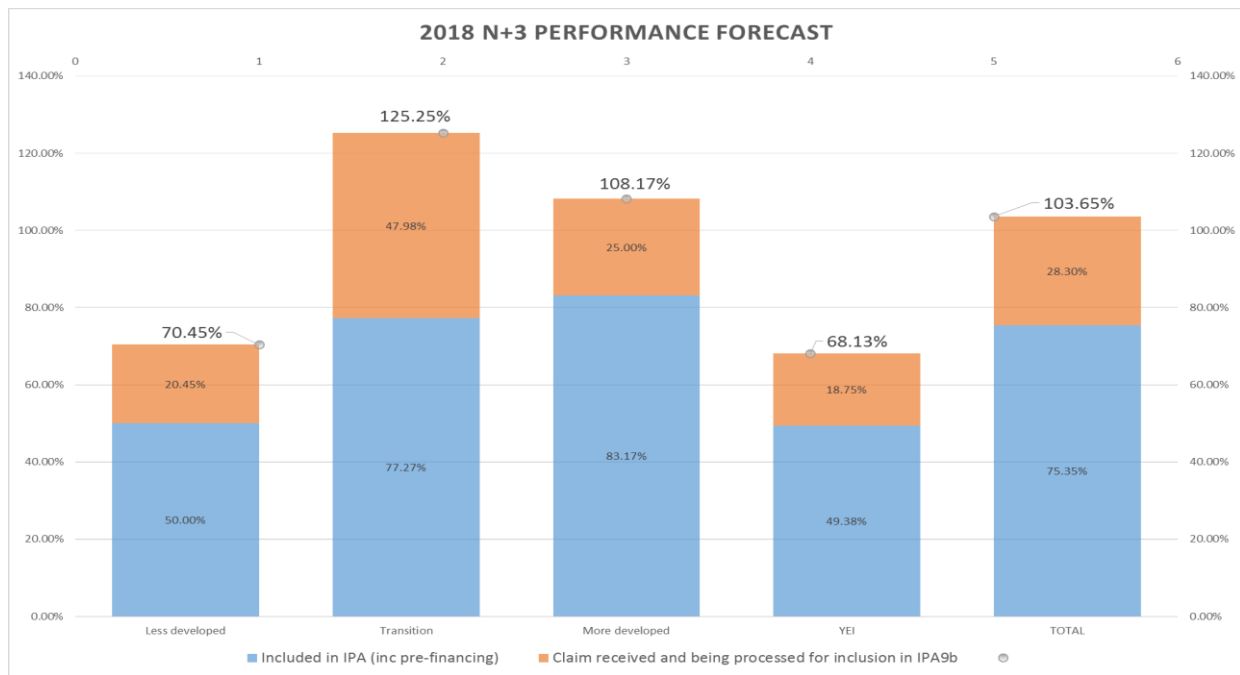
6. Based upon actual data received the financial aspect of the Performance Framework target is set to be met in the Transition and More Developed CoRs. There is a PA1 shortfall of €13.5 in the Less Developed CoR, which is being addressed as detailed below.
7. The CFOs were asked to ensure that all Less Developed Region Project claims were up to date and any outstanding eligible expenditure was included in an interim Q3 claim (covering the period up to the end of July). Interim Q3 claims from DWP and ESFA have been received and are being processed. A similar approach has been adopted with the Direct Bid Projects in the LD Region to ensure all available claims contribute toward the target. If this shortfall is not made up the funding will move to PA2.
8. In terms of participants there is currently a PA1 shortfall, in the Less Developed CoR of 2,503 against a target of 6,360 (39.4%) and a PA2 shortfall of 12,069 (21.65%) in the More Developed CoR. This is based on the latest validated information available (June 2018) with the large number of CFO claims being received for Quarter 3 the MA is confident of this target being achieved.

Programme Update**Calls update**

9. There are currently 18 live calls totalling £67,989,470 (PA1 £37,639,470, PA2 £30,350,000). During the MA reprioritisation exercise calls have continued to be launched. The timetable is under constant revision to ensure that call opportunities are maximised. There are currently 58 calls on the call timetable covering the period December 2018 until April 2019 that total approximately £138m.
10. From mid-December, MA LEP Leads will be liaising with their areas to discuss their call plans from April 2019 until the autumn when we anticipate the launch of the Reserve Fund. There will be a finite number of call slots from April onwards so higher value applications and consortia bids will be encouraged to maximise the slots available, this will give all LEP areas an opportunity to launch calls. To support this approach, amendments have been made to the minimum call and application values, as detailed below:
 - The minimum call value has increased from £50,000 to £150,000 of EU funding per call
 - The minimum application value has increased to 25% of the ESF call value or £150,000 ESF funding, whichever is the greater.

Overall Progress against Targets:

11. As you are aware, the Programme was late to be launched and much focus in the first half lay in ensuring that we obtained a healthy set of projects and pipeline projects. We were therefore pleased to be halfway committed at the halfway point in the programme and able to undertake a detailed review of the assumptions underlying the Operational Programme as a result. The claims profile of grant recipients has been slower than anticipated despite evidence of significant activity on the ground. This had multiple reasons, but since the roll-out of ECLAIMS to beneficiaries and added support from the MA towards the submission of claims, our predictions of a catch-up on claims activity has been proven right: we have now received over £1bn worth of claims.

Progress on N+3 Target:**Table One: N+3 Programme Performance Forecast: % Achievement by CoR and YEI**

12. Table One above shows that the Programme is on track to achieve this target, with a forecast outturn of 103.65%. This is despite the position of the LD CoR (70.45%) and YEI (68.13%). Two CoRs are performing at over 100%, Transition (125.25%) and More Developed (108.17%).
13. As previously reported, an N+3 Group was set up to closely monitor our progress towards the N+3 target. The performance illustrated in Table One reflects the effectiveness of the measures implemented by this Group and the reprioritisation work that the MA has undertaken over the last two months.
14. Since September claims totalling £371,545,898 have been processed of which £204,140,649 is EU funding. To achieve the N+3 target we need to claim back a further €251m from the Commission and this is our continued and main focus. Specific action to address the performance gap in the LD region is detailed in Paragraph 8.
15. The Certifying Authority (CA) submitted IPA9 to the Commission on 23 November. This is the biggest claim submitted to date, with €506,694,462 of expenditure (of which €263,640,732 EU funding) included within the claim.
16. The CA intends to submit a further claim, IPA9a, on 21st December and, if required, a final claim, IPA9b, towards the end of December.

**Progress on Performance Framework Targets:
Financial Forecast:**

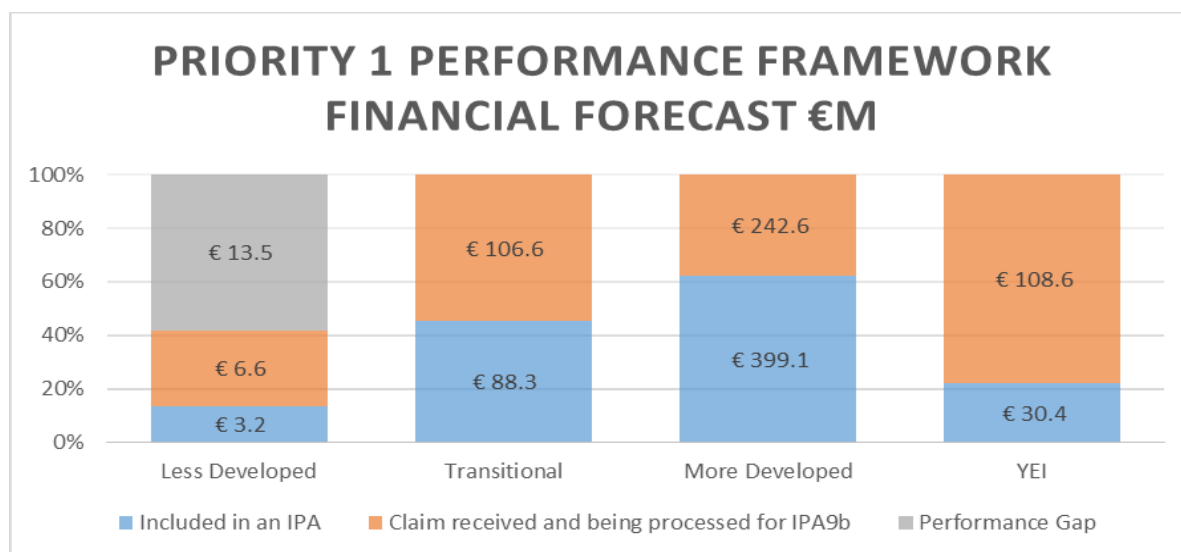


Table Two: Total expenditure to 23 November 2018 including EU + Match funding

17. It can be seen from Table Two that with the exception of the Less Developed CoR the PA1 financial target is likely to be met based on claims received. The activities outlined in Paragraph 8 describe what the MA is doing to address the remaining deficit based upon claims received to date. However, claims covering expenditure incurred by Grant Recipients until the end of the calendar year received in early 2019 will contribute towards the Performance Framework achievement.

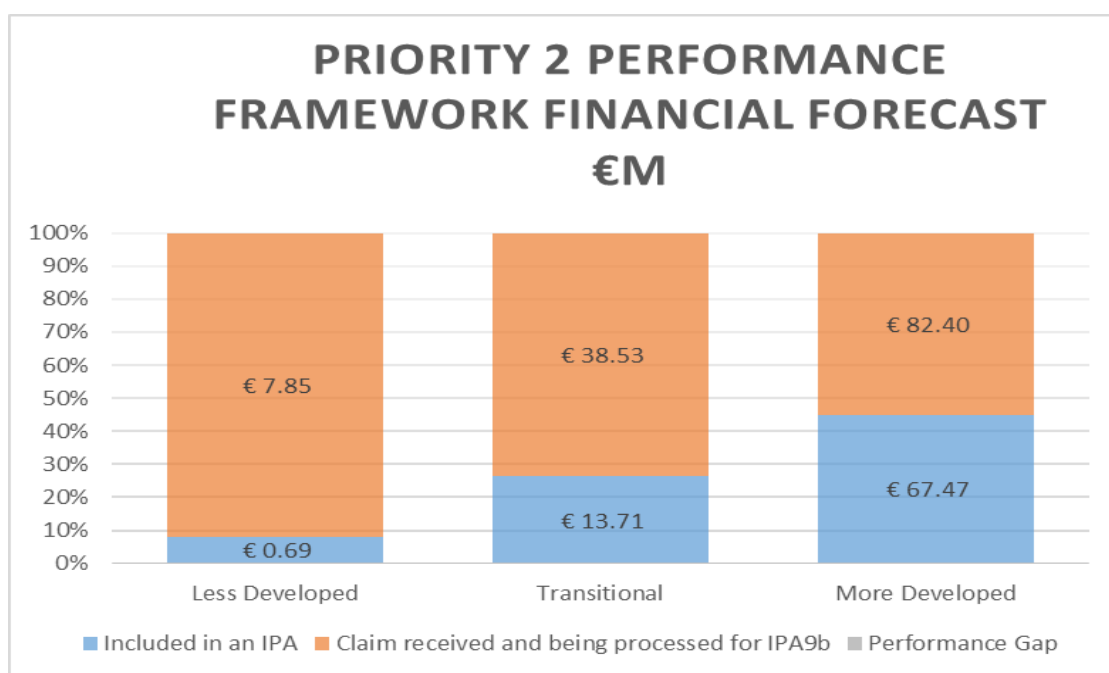
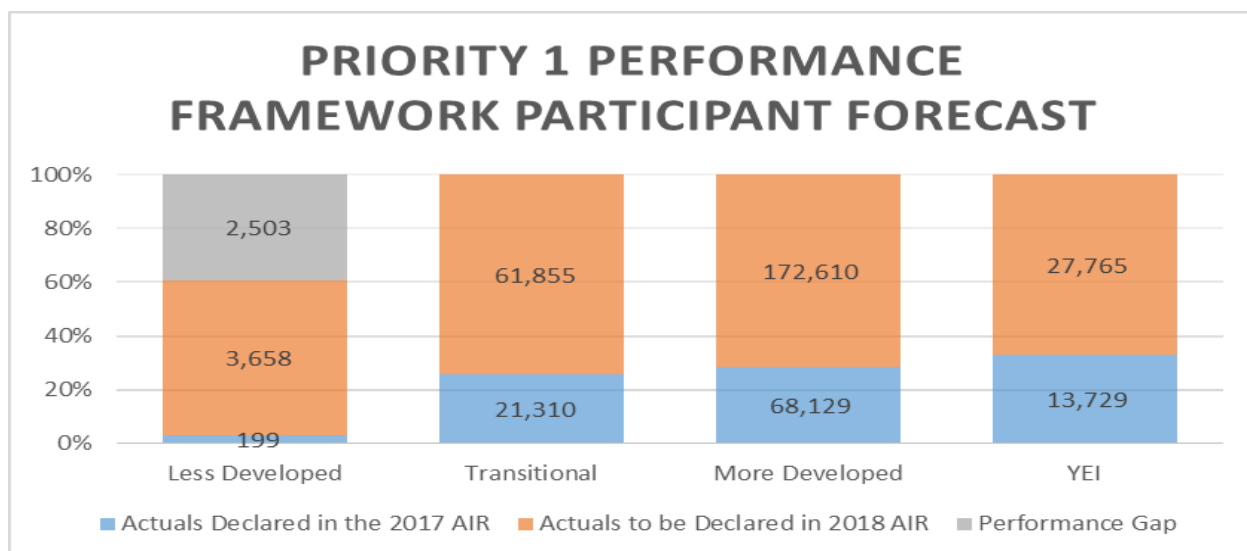


Table Three: Total expenditure to 23 November 2018 including EU and Match funding

18. Table Three shows Priority 2 performance and can be seen that subject to claims passing validation, the PA2 Financial target will be achieved in all Categories of Region.

Participants:**Table Four: ESF Performance Framework: PA1 participant performance to Quarter 2**

19. The performance illustrated in Table Four (above) is to Quarter 2 2018. This is the latest information currently available. It does not therefore include the November ESFA claim, which is anticipated to include a significant number of additional participants. This claim will include cumulative participant data covering both Q2 and Q3 activity. Additionally, HMPPS have submitted a Q3 claim early, which also includes a significant number of additional participant records.
20. As can be seen from Table Four (above) that the Transitional CoR and YEI are expected to achieve the profile. The exception is the More Developed and Less Developed CoRs, which are currently falling short by 2,503 participants. However, the activities outlined in paragraph 8 for CFO claims and the Less Developed CoR will have a positive impact and assist this Region to meet the target.

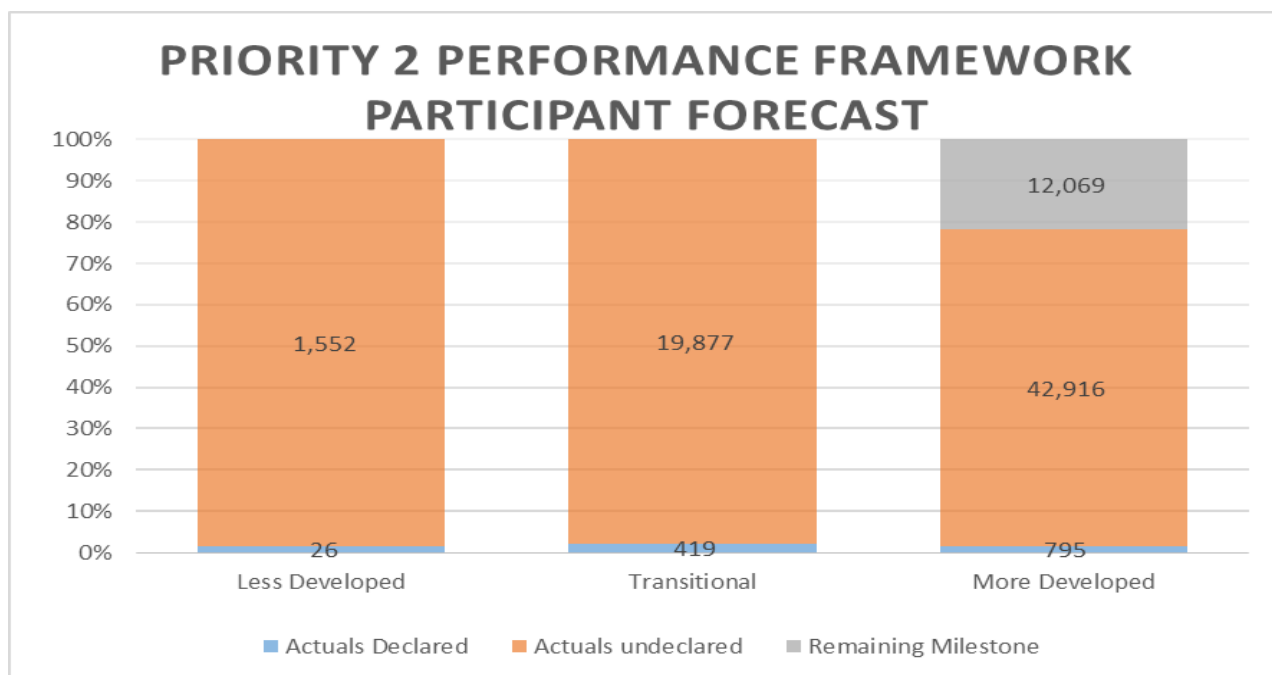


Table Five: ESF Performance Framework: PA2 participant performance to Quarter 2

21. As can be seen from Table Five both the Less Developed and Transition Regions are on track to achieve this target. As with the performance illustrated in Table Four, the data is only available to Quarter 2 and does not include the claims listed at paragraph 9. The forecast is that all three CoRs will achieve this target.

ESF Opt-in / Co-Financing Organisations (CFOs):

22. As 70% of our expenditure is with the national CFOs, they are major contributors to the Programme and a primary focus of our efforts to improve performance. As this is key to our achievement of N+3 and the Performance Framework there have been robust Programme Management Meetings and regular conference calls with all CFOs to ensure that profiles are being achieved and that claims are being progressed.
23. The progress report below highlights where CFOs are in terms of their claims. Over the last month, we have been working to process the claims that CFOs submitted for Q2 and Q3a, which would further contribute to N+3 targets.
24. **Big Lottery Fund (BLF):** Q2 2018 claims to the value of £20,557,474.30 ESF (EU+ Match) have been processed. Monthly Performance Monitoring meetings are taking place as are ongoing discussions which are centred around the underspend and how BLF is progressing this with their projects. Claims are now moving closer to forecast. The MA has received Q3 claims to the value of £26.176m. High value claims are being prioritised to support a final push on N+3 targets.
25. BLF has written to LEP areas inviting expressions of interest to extend their current BBO contracts. Once all LEP areas have responded, financial details have been worked through and signed off by BLF's own internal panel. Project Change Requests (PCRs) will be submitted to the MA early in the New Year.
26. **Her Majesty's Probation and Prison Service (HMPPS):** The Q2 2018 Claim to the value of £134,531,608.76 ESF (EU + Match) has been processed. Monthly Performance Monitoring meetings are taking place, as is an ongoing discussion to drive performance. A Q3 claim to the value of £8.594m in has been processed for HMPPS.
27. **DWP:** DWP have brought forward claims that include July expenditure, in order to assist in meeting the N+3 target. Q3a 2018 Claims with expenditure up to July 2018 to the value of £13,335,862.70 ESF (EU + Match) have been received and are currently being processed. Monthly Performance Monitoring meetings are taking place. DWP will be completing PCRs to extend their existing contracts. A Q3b claim has been received to the value of £7.858m, this comprises of 2 months Programme and Admin costs, as Match funding was brought forward on the previous two claims this year, to assist with N+3.
28. **ESFA:** ESFA have also brought forward claims that include July expenditure, in order to assist in meeting the N+3 target. Q3a 2018 Claims with expenditure up to July 2018 to the value of £224m have been received and are currently being processed. Monthly Performance Monitoring meetings are ongoing. ESFA launched

their 2nd phase offer as planned, beginning procurement in August 2018 with PCRs being received by the MA at the end of October. This will extend existing contracts and commence new activity in a few areas that have not had CFO activity delivered previously. This will result in an increase of approximately £339m. ESFA are due to submit Q3b claims in by mid-December. These will consist of participants only as financial claims were brought forward in Q2 and Q3a to assist with N+3. These participant claims will assist with supporting the Performance Framework Target.

Update on Claims paid by Commission:

29. Up until the end of September the MA had submitted IPAs totalling £53,397.582.80m and received reimbursement of £28,006,287.86
30. IPA8 was submitted on 22 October with a total eligible expenditure of £88,533,944.26 or €99,506,841.39. We expect reimbursement from this application of €49,551,733.62 to be made in December.
31. IPA9 was submitted 23 November for €506,694,462.17 (£451,705,734.65). As mentioned earlier in the paper, the Certifying Authority anticipate submitting a second payment application (IPA9a) by 21 December. The value of this is yet unconfirmed but likely to be approximately €500m. If required an IPA9b will be submitted at the end of December.

ESF Evaluation

Annex A – is a paper provided by Nicholas Campbell which details the ESF Evaluation programme at November 2018

Annex A



Department
for Work &
Pensions



European Union

European
Social Fund

To:	Growth Programme Board
From:	Nicholas Campbell Head of ESF Evaluation Team Nicholas.Campbell@dwp.gsi.gov.uk
Subject:	ESF Evaluation Programme update
Date:	November 2018

Issue: This paper provides an overview of the ESF Evaluation programme at November 2018 in terms of projects completed, in progress or planned. Following the overview is a more detailed update on each individual project.

Key points:

- **ESF Impact Evaluation** - The centre piece of our evaluation programme, the ESF Impact Evaluation, is about to go out to tender and will run through 2019, with final reporting in spring 2020. This will include a Counterfactual Impact Evaluation of the ESF programme, in-depth case studies with ESF projects and a value for money study.
- **Access to admin data** - Delays in accessing admin data from other departments (HMRC and DfE) has stalled progress on the Youth Employment Initiative impact evaluation which was due to report this December. These issues need to be resolved as soon as possible to complete the YEI evaluation (and meet our EC obligation), for the ESF Impact Evaluation in 2019 and potentially to use for Long Term Results Indicators from 2019 to 2023.
- **ESF evidence base** - We are starting to build an evidence base for the 2014-2020 programme, drawing together evidence from across the national programme, evaluations by other CFOs and local evaluations. While evidence is relatively scarce at the moment, particularly in terms of impact, we should see this ramp up from 2019. This evidence base has been used to feed into the business case for the UK Shared Prosperity Fund.

1. Programme overview

So far, we have completed and published two evaluation reports, including one since our last update in December 2017:

- [Youth Employment Initiative Process Evaluation: Assessment Strategic Fit, Design & Implementation](#) (published October 2017)
- [ESF Impact Evaluation: Design and Scoping Study](#) (published July 2018)

There are two externally commissioned projects currently running, plus one in-house study:

- Youth Employment Initiative (YEI) Impact Evaluation (due for completion March 2019)
- ESF / YEI Participant Leavers Survey 2016-2018 (6 waves completed out of 10 planned up to October 2019; we have recently received the first set of weighted results which we will use in the draft business case for the UK Shared Prosperity Fund and the YEI Impact Evaluation)
- Administrative Data Feasibility Study - this is looking at the extent to which we can reduce the scope of future Leavers' surveys by using government admin data instead (this should be complete by the end of 2018, but is not intended for external publication)

There are three more planned within the lifetime of the current evaluation programme:

- ESF Impact Evaluation (to be commissioned Nov-Dec 2018) – this is our centre piece project covering the overall impact, effectiveness and efficiency of ESF
- ESF / YEI Participant Leavers' Survey 2019-2023: the need for this survey is related to decisions over the continuation of the ESF programme in England post EU exit; this also depends on the results from the Administrative Data Feasibility Study – while some form of survey will be necessary to continue to meet EC requirements, it may be reduced in size/scope and associated cost if we can use admin data
- ESF Evaluation Synthesis Report (by December 2022) – internal report bringing together all elements of evaluation completed at that point

Published reports

2. Youth Employment Initiative Process Evaluation: Assessment Strategic Fit, Design & Implementation *(complete, published October 2017)*

Note: these findings have been included in the December 2017 evaluation update

The Youth Employment Initiative is an ESF funded intervention to support youth employment in regions particularly affected by youth unemployment. It focuses on 15-29 year olds, particularly those who are NEET (not in employment, education or training) or at risk of becoming NEET.

This early evaluation considered the following for the Youth Employment Initiative:

- strategic fit - how the YEI fits with EU, national and local objectives
- design - how the YEI programme was developed by different partners
- implementation - how the delivery of the programme has progressed in its early stages

The research found a good strategic fit between the YEI's EU objectives and those in the national and local context. Despite reductions in youth unemployment in some areas, other evidence pointed to the continued relevance of the YEI, such as rising NEET levels in some areas and levels of inactive young people not falling as fast as youth unemployment. That said, subsequent early evidence from impact evaluation has found that projects have found it more challenging to recruit participants as a possible result of falling youth unemployment. Overall, the programme was still found to fit well with current UK policy objectives.

Design and partnership working were felt generally to be working well, with local ESIF committees able to influence local calls and project design. Issues identified were some mis-matches between LEP and YEI boundaries, restrictiveness of some rules and the requirement to source local match funding. The length of the procurement process was also found to be problematic, with impacts on delivery plans and timetables.

In terms of implementation, a prevailing view was that it was too early to tell (the fieldwork was conducted between July and November 2016), however establishing governance, partnership working and engagement (i.e. getting referrals to YEI) were all felt to be going well. Those delivering YEI provision believed that there was a need for such support, and that the flexibility offered by the initiative provided an opportunity to address some of the deep-rooted challenges faced by young people who are not in employment, education or training (NEET).

3. ESF Impact Evaluation: Research Design and Scoping Study (*complete, published July 2018*)

The *ESF Impact Evaluation: Research Design and Scoping Study* provides a detailed methodological discussion and recommendations for how to evaluate the impact, effectiveness and the efficiency of the ESF programme, which we aim to do in 2019/20. The study, contracted to Ecorys UK, recommended a mix-method approach including:

- Counterfactual Impact Evaluation (CIE) where feasible, essentially enabling us to quantify the impact of ESF by comparing outcomes of ESF participants with similarly matched people not on ESF. In terms of methods, the study recommended using Propensity Score Matching (a statistical way to match ESF participants with similar non-participants) and complementing this approach with Difference-in-Differences (considering the pre- and post- programme differences between ESF participants and non-ESF participants). This approach will rely on us being able to access employment data from HMRC and education/skills data from DfE.
- To cover a broader set of impacts than it is possible to measure using CIE techniques, the scoping study recommends a theory-based evaluation approach. This is more of a qualitative approach aiming to develop and test presumed results of particular activities or types of support within ESF provision, enabling us to better understand how and why ESF has generated its results. Theories of Change (ToCs)

for each of the investment priorities are included in the Scoping Study. It recommends qualitative in-depth case studies with a range of projects/providers to gather this evidence.

- A Value-for-Money study by doing a cost-benefit analysis of the ESF programme where it is possible to monetise costs and benefits. This would use the DWP's social cost-benefit analysis model to estimate many of the likely fiscal and social benefits of the programme as they relate to employment. CBA frameworks or approaches developed by other government departments can be used to complement this model, where appropriate, for example assessing the returns resulting from skills development or reduction in re-offending. For other results that cannot be monetised, the study recommends a cost-effectiveness approach, using cost and outcome data to calculate unit costs.

Projects in progress

4. Youth Employment Initiative Impact Evaluation (*ongoing, due for completion Spring 2019*)

The Youth Employment Initiative is an ESF funded intervention to support youth employment in regions particularly affected by youth unemployment. It focuses on 15-29 year olds, particularly those who are NEET (not in employment, education or training) or at risk of becoming NEET. We are required by the EC to conduct an impact evaluation of the YEI and report by the end of 2018.

The evaluation was contracted to Ecorys UK. Its aims are to assess the impact, effectiveness and efficiency of the YEI in achieving its objectives to sustainably integrate young people into the labour market, education or training. This is being done in three parts: qualitative research with YEI projects and participants to assess its effectiveness, a Counterfactual Impact Evaluation to quantify its impact, and a Value-for-Money study to assess the costs and benefits. The first two elements have been contracted to Ecorys, with the VfM study being done in-house.

So far, qualitative research has been completed and results were presented to the ESF MA late 2017. This year we have been progressing with the Counterfactual Impact Evaluation but have encountered serious delays in accessing essential data from HMRC and DfE – this is needed both to measure employment and education outcomes for YEI participants and a similarly matched comparison group of non-participants. This will lead to a minimum 3 month delay in completing the analysis and means we will miss the EC deadline to submit a final report by the end of December 2018. Following a presentation to the EC Evaluation Partnership meeting in October in which covered these issues, we have agreed with the EC that we can submit a partial report in the interim (which will include qualitative findings and analysis of Management Information and survey data), pending completion of the final report at some point in the first half of 2019. We have also extended the contract with Ecorys until June 2019.

5. ESF / YEI Participant Leavers' Survey 2016-2018 (*ongoing until around October 2019 with a final report in early 2020 – however results will be submitted in June 2019 in our Annual Implementation Report submission to the EC*)

The main aim of the ESF Leavers' Survey 2016-18 is to collect the data required for the ESF & YEI Longer-Term Results Indicators (LTRIs). The survey asks participants about their situation 6 months after they have left ESF/YEI provision. The secondary aim of the

survey is to produce data on the effectiveness of ESF and YEI provision, including participants' perspectives, for example enabling us to measure soft outcomes.

The survey was commissioned to IFF Research to run in up to 10 quarterly waves. So far six have been completed and the seventh is about to go into the field. We anticipate the survey will continue until October 2019. So far, survey volumes have been much lower than expected – this is partly due to participant numbers taking time to build up throughout the programme and partly due to delays in projects submitting contact details of participants. Collecting contact details is a separate and somewhat convoluted process to the collection of participant information which providers must submit for claiming ESF funds. A key difference is that submission of contact details is also not mandatory.

Encouragingly the latest sample for wave 7 has been significantly boosted by a large submission of contact details by ESFA (Education & Skills Funding Agency). Response rates have been at expected levels of around 20%; however, this includes HMPPS participants who are much less likely to take part, so the response rate excluding HMPPS is nearer 30%.

Generally, the survey questions have worked well and we have recently received the first weighted results from the survey. These results will be used in the YEI Impact Evaluation. Results will also be used to calculate Long Term Results Indicators for submission to the EC's Annual Implementation Report in spring 2019.

6. Administrative Data Feasibility Study *(to be completed by December 2018, not for external publication)*

The EC encourages use of administrative data or what it calls "official registers" to collect LTRIs and a number of other member states already do so. As the current leavers' survey only runs to 2019 and we potentially need to collect data up to the end of 2023 (which in practice means until mid-2024), we have carried out a feasibility study to fully explore the possibility of making more use of administrative data in future to monitor and evaluate ESF.

The feasibility study has looked at the following:

- Identifying which government data sets are relevant and could be used
- The extent to which admin data can be used as a reliable proxy of ESF indicator requirements
- The coverage of the admin data in terms of the ESF population, e.g. identifying self-employed people in admin data is notoriously difficult
- How well can we match ESF participant data to admin data (as we do not collect National Insurance numbers in ESF data, we need to match ESF contact details with DWP data sets that do have National Insurance numbers)

The study has revealed that while admin data can be used for some indicators (e.g. measuring employment outcomes), it cannot be used for some others (use of ESF funded childcare), and there are considerable grey areas in-between that would require certain assumptions to be made and caveats recognised if we were to use them to replace survey data. We will still need some form of survey, but it could either be reduced in size (i.e. number of questions) or be targeted to smaller sub-sets of the ESF population (i.e. reducing the volume of survey interviews carried out).

We also need to be sure that the data we need from other departments can be routinely accessed. Without that guarantee would risk us being unable to fulfil our LTRI commitments to the EC and face potential financial penalties.

Our next steps are to run more tests on specific datasets in order to identify the assumptions we would need to make and the caveats that would need to be flagged. We will then submit proposals to the EC. At the same time, we will need to estimate the costs of dual running admin data collection (which would take considerable staff time) and commissioning a survey (albeit reduced in scope and cost from the present model). This work will need to be done by around April 2019 to enable us to begin a commissioning process for a new survey and to confirm admin data arrangements to begin from autumn 2019.

Planned projects

7. ESF Impact Evaluation (out to tender Nov/Dec 2018 – to run through 2019 to Spring 2020)

This is the centrepiece of our evaluation programme as it aims to assess the impact, effectiveness and efficiency of the ESF programme as a whole. The *Scoping Study* referred to above provided a comprehensive methodological discussion and recommendations for how to carry out an impact evaluation.

We plan to contract out the qualitative in-depth case studies but do the Counterfactual Impact Evaluation and Value-for-Money studies in-house. For the CIE we will also contract external experts in using this methodology to review and assure our approach.

We recently received the final Ministerial approvals to proceed with the evaluation and it should be going out to tender this month with the aim to appoint a contractor in January. The evaluation will run until March 2020.

8. Future ESF Leavers' Survey (2019-2023)

As discussed under the *Administrative Data Feasibility Study* above, assuming continued membership of the ESF for the remainder of the 2014-2020 programme, we will need to collect indicators until the end of 2023, which in practice means surveying up to mid-2024. In order to reduce costs and improve the quality of data, we are exploring the use of government administrative data, which would mean we could reduce the size and scope of a future survey. Our findings suggest some form of leavers' survey will still be necessary, but the precise design, size and scope will depend on further testing of admin data sets and guarantees that administrative data can be made available. This work will continue in the first half of 2019 in order that we can commission a new survey in autumn 2019.

9. ESF Evaluation Synthesis Report (not started yet, required for submission to EC by December 2022)

The synthesis report is an EC requirement that will bring together all the key evidence from the evaluation programme including the impact evaluations and results from the leavers' survey. The intention will be to do this in-house. While there are no firm timings in place yet, we anticipate our on-going construction of our ESF evidence base will provide a substantial amount of material for the report.



European Union
European Structural
and Investment Funds

European Structural and Investment Funds
2014 - 2020

Growth Programme for England

EAFRD Programme Update

Purpose:

To provide the Board with an update on the current position on the EAFRD part of the EU Growth Programme.

Recommendations

The Board is invited to note the information set out in this paper.

Summary:

As at 1 November, under the RDPE Growth Programme £68m of grant had been awarded to 381 projects, including £10m spent by 89 completed projects from the offers launched in 2015. Of this £68m, £20.6m has been paid out, creating 259 FTE jobs. The scheme is on track to spend its full budget and meet its job creation target.

The RPA have now processed all 1,864 Expressions of Interest (EOI) received from the 2017 calls and local ESIF Sub-Committees have commented on the local fit of projects. So far, invitations to submit a Full Application have been issued to 1,266 applicants for funding totalling £234m. From these, 513 projects have submitted applications for funding of £99m, with 292 projects so far securing grant offers worth £62m.

In addition, 8 contracts for funding totalling £47.3m under the £75m Rural Broadband Infrastructure offer have been approved.

Defra and the RPA are continuing to consider options for utilising any EAFRD Growth Programme funding remaining once all of the projects arising from the 2017 offers have been contracted, including the possible use of exchange rate gains.

EAFRD GROWTH PROGRAMME UPDATE

1. As at 1 November, £68m of grant funding has been awarded to 381 projects. Of this, £20.6m has been paid, creating 259 FTE jobs. Activity under the offers opened in 2017 is summarised at Annex 1, and overall scheme progress is at Annex 2.
2. The Growth Programme remains on track to spend its full allocation of funding and to meet its programme target of creating 4,075 jobs. More widely, the RDPE Growth Programme contributes to the delivery of EAFRD Priority 6: Promoting social inclusion poverty reduction and economic development in rural areas. The good progress we have made so far in delivering this scheme, and the separate LEADER scheme which also contributes to Priority 6, means that we are currently on track to meet the expenditure and output targets for this Priority for end 2018 and n+3 Performance Framework purposes.

2015 Offers

3. The RPA is continuing to support projects which secured funding under the 2015 Growth Programme offers. 89 projects have now completed all activity, confirming the creation of 114 FTE jobs from an EAFRD investment of £9.4m.

2017 Offers

4. As at 1 November, the RPA had received 1,864 Expressions of Interest (EOI), requesting funding of £343m, under the 2017 food processing, business development and tourism infrastructure offers which closed at the end of May 2018. The RPA has now processed all of these applications engaging with local ESIF Sub-Committees who comment on the local strategic fit of project applications, and invitations to submit a Full Application have been issued to 1,266 applicants for funding totalling £234m. Applicants are being encouraged to submit their full application by end of Spring 2019. So far, 513 projects have submitted full applications for funding totalling £99m, with 292 projects so far securing grant offers worth £62m.
5. A range of workshops have been arranged across the country to help applicants understand what is required in a Full Application. Workshops will continue into early 2019. A YouTube video is also available which gives an overview of what is required in a Full Application for those that cannot attend a workshop.

Rural Broadband Infrastructure Fund

6. The total budget for the Rural Broadband Infrastructure Fund is £75m. The RPA has so far issued 8 contracts for a value of £47.4m.

Next Steps

7. It is expected that the EAFRD Growth Programme calls which closed at the end of May 2018 will spend all of the £165m offered. However, while the RPA is close to committing all of the notional allocation to projects in some areas, other LEP areas have not attracted sufficient applications to spend all their allocated budgets. As the current attrition rate is around 50%, the

final picture will not be clear until we know how many of the applicants who have been asked to submit a full application have done so, and how many of these have been converted into contracted projects.

8. Defra and the RPA are considering options for making the best use of any remaining funding available from the original Growth Programme budget. This includes the scope for utilising potential exchange rate gains and the possibility making funding nationally available rather than by LEP area. Further information will be made available to LEPs and other local partners in due course.

Tony Williamson

4 December 2018

ANNEX 1

EAFRD GROWTH PROGRAMME UPDATE

2017 offers:

As at 1 November	RDPE Growth Programme	Food Processing	Business Development	Tourism Infrastructure
Number EOIs Received	1864	290	903	671
Value of Grant Sought (£)	343	87	115	141
Number invited to Full Application	1266	200	632	433
Full Applications received	513	121	278	114
Value of Grant Sought (£m)	99	44	33	22
Breakdown of Full Applications received by status				
Number withdrawn/rejected	65	7	35	23
Number in appraisal/approved	88	15	42	31
Number Contracted	250	72	140	38
Value of contract (£m)	49.2	24.1	15.7	9.4
Value of grant paid to date (£m)	9.87	5.5	3.9	0.47
Number Projects closed	29	10	18	1

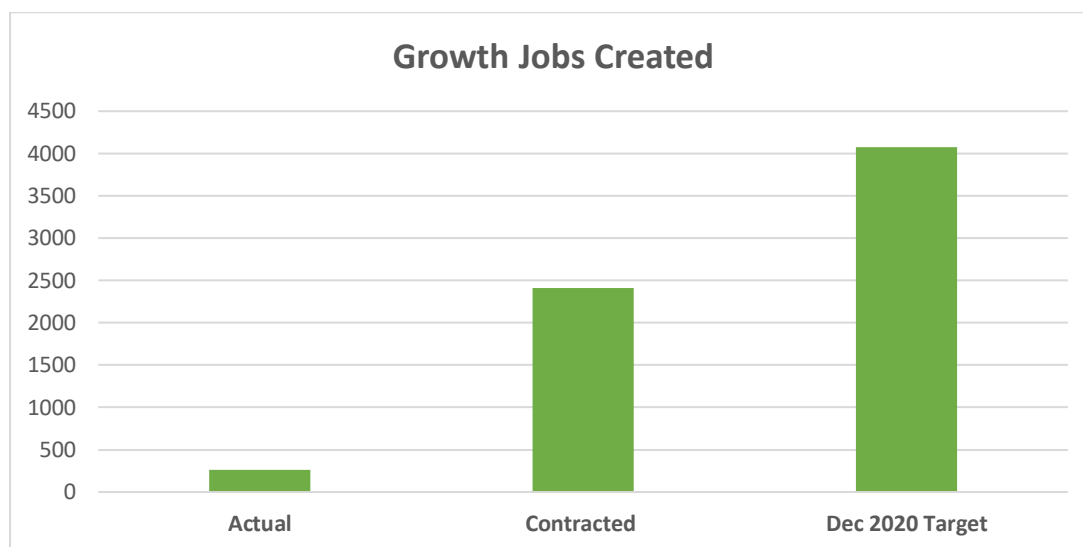
Rural broadband infrastructure offer:

As at 1 August	Rural Broadband
Total Budget	75
Full Applications received	23
Value of Grant Sought (£m)	84
Number withdrawn/rejected	1
Number Contracted	8
Value of contract (£m)	47.3
Value of grant paid to date (£m)	-
Number Projects closed	-

Project outputs to date by theme:

2015 & 2017 offers	RDPE Growth Programme	Food Processing	Business Development	Tourism Infrastructure and Cooperation
FTE Jobs Forecast	2,408	1,255	725	428
FTE Jobs created	259	94	137	28

Growth Programme jobs created target, contracted and actual figures 1st November 2018.



Summary of Growth Programme EOIs, full applications and broadband infrastructure scheme.

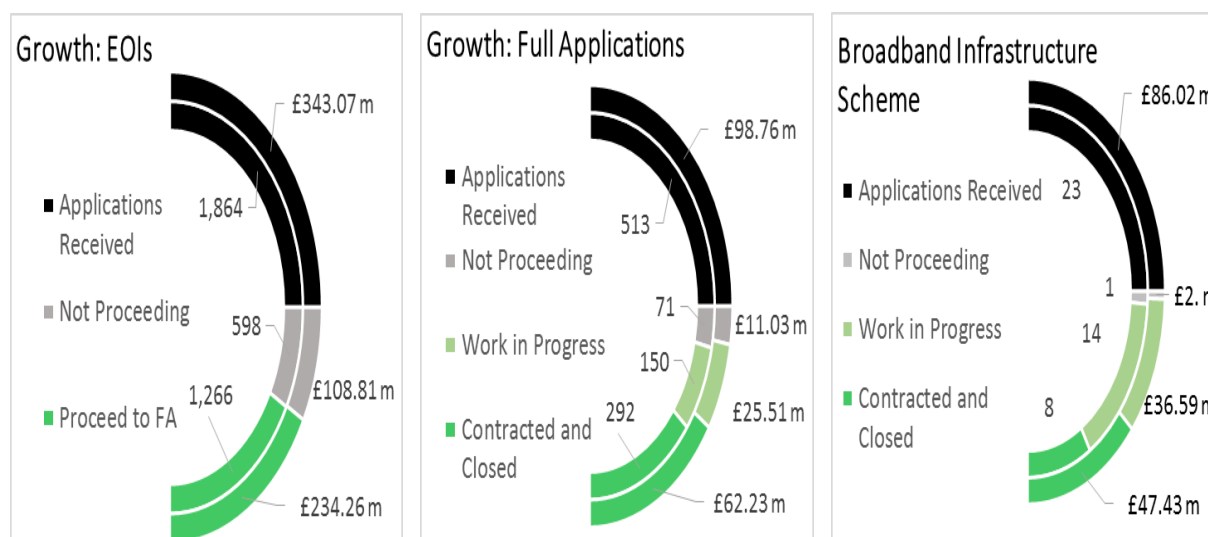


Fig. 1. Number of 2017-2018 Growth EOIs and outline applications submitted with their associated committed budget spend in £m.

Fig. 2. Number of full 2017-2018 Growth applications with their associated committed budget spend in £m.

Fig. 3. Number of full Broadband Infrastructure Scheme applications with their associated committed budget spend in £m.

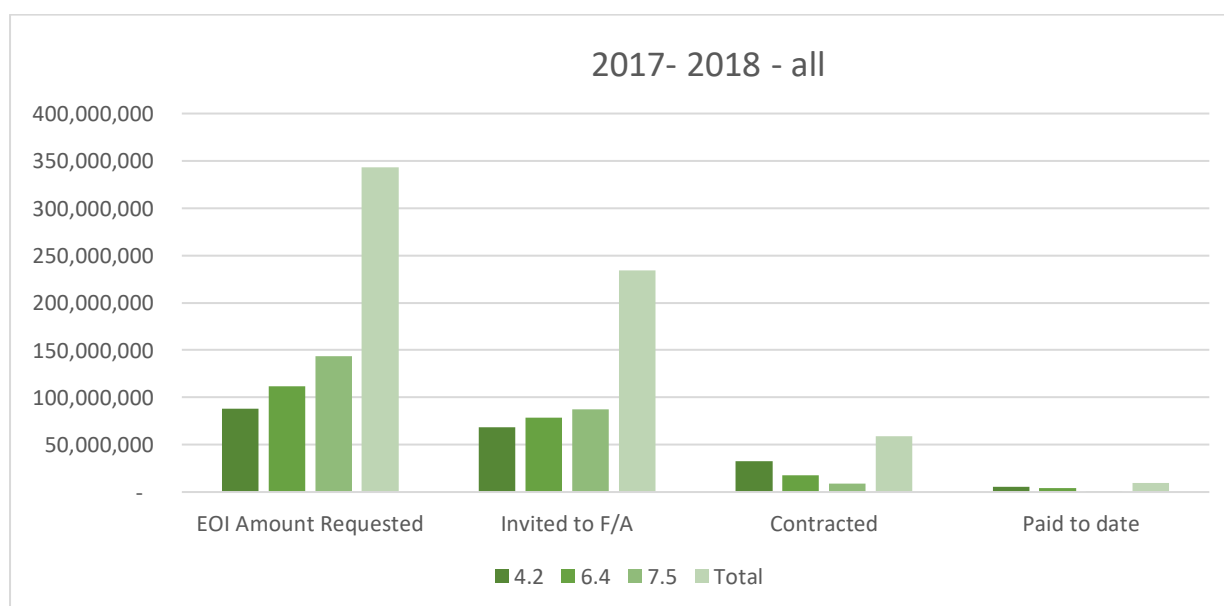
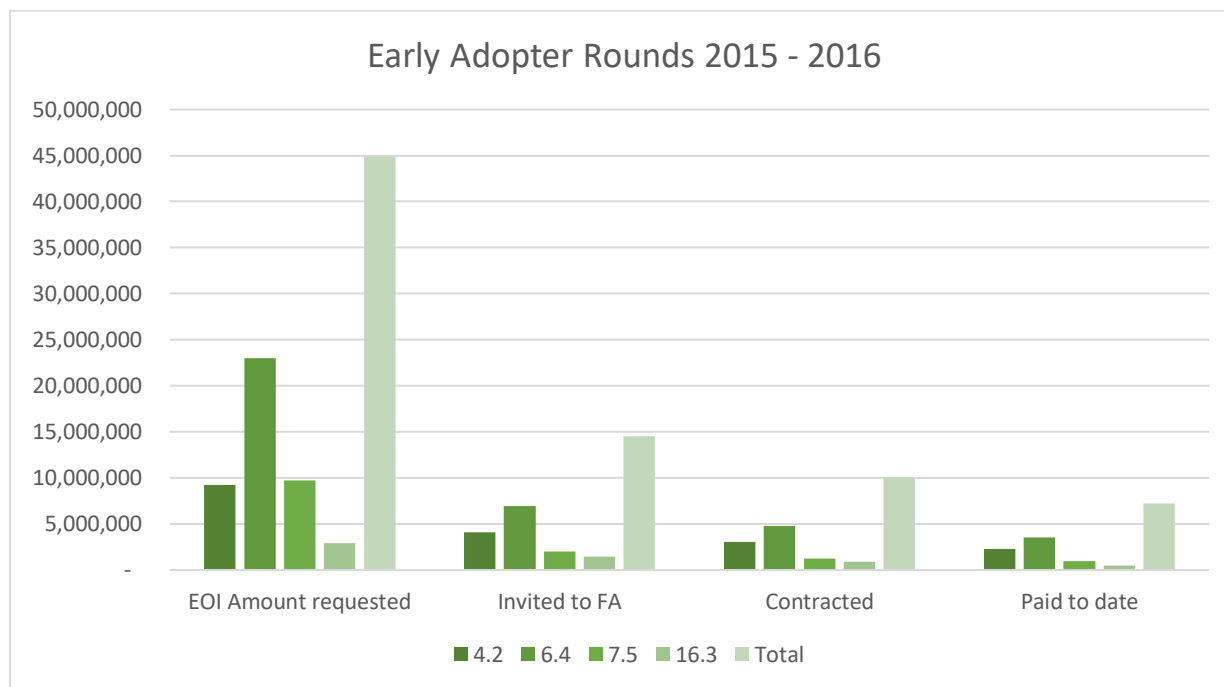
Number of Contracts and associated committed budget across EAFRD Growth Programme regions as of 31st July 2018.

Region	Processing and Marketing of Agricultural Products		SME Support		Tourism		Total Number of applications	Total RDPE grant award (£m)
	Number of applications	RDPE grant award (£m)	Number of applications	RDPE grant award (£m)	Number of applications	RDPE grant award (£m)		
East Midlands	15	4.44	27	2.84	14	1.4	56	8.69
East of England	17	5.31	25	3.24	5	1.54	47	10.08
North East	1	0.04	21	2.02	14	1.44	36	3.5
North West	7	1.23	15	1.33	10	2.04	32	4.6
South East	19	6.96	12	1.18	14	2.42	45	10.56
South West	20	10.31	23	2.09	18	1.93	61	14.33
West Midlands	16	2.51	22	2.16	33	3.24	71	7.91
Yorkshire and The Humber	15	4.56	4	0.35	14	2.95	33	7.86
Grand Total	110	35.36	149	15.21	122	16.96	381	67.53

Number of contracts and associated committed budget across LEP area.

LEP	Number of projects	Total - OA Grant amount requested	Total - FA Grant Amount Requested	Total - RDPE grant award	Total - amount paid (project)	Indicative EAFRD allocation as at June 2014 £
Buckinghamshire Thames Valley	15	1,987,454	929,793	506,759	26,342	1,584,177.00
Cheshire and Warrington	37	4,831,294	1,397,501	908,124	109,200	2,492,600.00
Coast to Capital	50	12,338,557	2,819,213	1,884,547	274,477	3,835,682.00
Cornwall and the Isles of Scilly	74	12,178,626	4,011,808	2,293,980	740,779	9,396,623.00
Coventry and Warwickshire	42	5,026,425	1,923,759	1,181,191	154,010	2,730,498.00
Cumbria	118	14,532,828	3,567,344	1,607,336	227,921	9,255,077.00
Derby, Derbyshire, Nottingham and Nottinghamshire	75	13,602,950	1,852,023	938,601	470,944	5,523,249.00
Dorset	42	3,633,937	1,645,876	955,850	7,507	3,020,337.00
Enterprise M3	32	7,578,889	472,761			4,466,791.00
Gloucestershire	68	11,299,357	3,156,504	1,352,051	204,737	2,893,392.00
Greater Birmingham and Solihull	5	3,158,497	440,731	440,731	149,978	1,141,193.00
Greater Cambridge & Greater Peterborough	36	5,869,895	1,521,112	1,245,188	0	7,395,748.00
Greater Lincolnshire	61	10,264,246	5,322,610	4,143,762	759,852	8,782,191.00
Greater Manchester	5	794,965	565,620	417,890	0	419,593.00
Heart of the SW	209	36,697,953	13,404,765	9,652,615	494,735	15,540,333.00
Hertfordshire	8	983,671	353,421	175,200	0	1,520,761.00
Humber	40	4,489,357	1,856,037	1,285,957	24,868	2,141,264.00
Lancashire	44	9,796,941	2,456,998	813,929	175,172	4,290,283.00
Leeds City Region	36	16,070,769	489,237	312,443	20,000	5,232,974.00
Leicester and Leicestershire	37	4,026,234	1,296,655	773,359	84,479	3,059,220.00
Liverpool City Region	4	404,320	213,259			339,995.00
New Anglia	65	17,886,649	7,746,557	6,707,980	515,116	13,015,876.00
North Eastern	159	25,000,012	6,012,341	3,240,641	1,199,210	10,489,904.00
Oxfordshire	40	5,048,808	1,291,863	339,234	0	2,226,644.00
Sheffield City Region	24	4,101,762	815,967	610,563	311,036	2,793,225.00
Solent	12	1,548,390	386,175	149,969	149,969	3,018,769.00
South East	116	28,532,902	14,649,503	7,786,572	1,862,752	1,412,647.00
South East Midlands	34	8,736,950	2,027,768	1,021,099	153,073	14,467,947.00
Stoke and Staffordshire	22	3,489,183	437,512	160,056	0	6,506,432.00
Swindon and Wiltshire	32	5,093,847	1,337,811	602,154	0	3,126,716.00
Tees Valley	21	2,561,581	844,547	602,429	74,762	3,900,654.00
Thames Valley Berkshire	10	1,736,608				1,100,854.00
The Marches Enterprise Partnership	149	20,141,654	6,044,807	3,039,520	560,815	1,125,081.00
West of England	35	11,736,996	960,820	334,989	30,884	7,457,814.00
Worcestershire	30	5,192,816	1,391,868	1,009,713	220,413	1,431,451.00
York and North Yorkshire	77	22,696,927	7,847,592	5,551,864	1,736,028	2,242,595.00
Grand Total	1868	343,072,250	101,492,160	62,046,297	10,739,061	177,000,002

EAFRD GROWTH PROGRAMME UPDATE – OVERALL PROGRESS



Measure 4.2 = Food Processing
 Measure 6.4 = Business Development
 Measure 7.5 = Tourism Infrastructure
 Measure 16.3 = Tourism Cooperation



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2014 - 2020

Growth Programme for England

EMFF Programme Update

Purpose:

To provide the Board with a progress report on EMFF implementation in England.

Recommendation(s):

That the Growth Programme Board notes the report.

Summary:

Excellent progress continues with 1025 core projects approved with an EMFF grant value of over £31m.

1. There continues to be good take-up of the EMFF in England, with 1025 projects approved under the 'core' programme (i.e. not including expenditure for Control and Enforcement activities, and Data Collection Framework measures). The total project cost associated is over £72m with EMFF grant of over £31m and National match of over £7.2m.
2. There are also 194 pipeline projects which are with MMO and progressing through the various stages of the process with an EMFF grant value of £9.7m. There has been over £13m paid out to applicants to date.
3. The popular areas for funding remain:
 - Health and safety – equipment and on-board vessel investments (277 projects attracting £1.69m EMFF);
 - Limiting the impact of fishing on the marine environment – more selective fishing gear and practices (222 projects, attracting £2.1m EMFF);
 - Processing and marketing – of fisheries and aquaculture products (86 projects, attracting £4.94m EMFF);
 - Adding value and quality – to caught and unwanted fish products (100 projects, attracting £675k EMFF);
 - Infrastructure investments – in ports, harbours, landing sites and auction halls (76 projects, £8.8m EMFF);
 - Investments in aquaculture – new units, diversification of production and species, modernisation of existing units (22 projects, £1.59m EMFF);
 - Promotion of human capital – job creation, improving social dialogue, training (10 projects, £1.76k EMFF);
 - Protection/restoration of marine biodiversity and ecosystems – collection of waste, Natura 2000 sites, increasing environmental awareness (45 projects, £4.9m EMFF).

4. With regard to CLLD, the six Fisheries Local Action Groups are now delivering against the total allocated budget of £4.8m and in line with their Local development Strategies (LDS) and business plans. FLAG projects are now progressing and to date 82 projects have been approved by MMO with a total project cost of £2m (EMFF £1.68m National £373k). There are also a further 8 projects with MMO at various stages of the process with total project costs £109k (EMFF £91k National £18k).

Our current 'top challenge' and how we are addressing them

5. The Performance Framework is the current biggest issue facing the team. As well as challenging spend targets in terms of value we are required to achieve spend in certain areas of the scheme. These areas are generally the articles where projects have not been forthcoming, and we have needed to generate applications and approve quickly and encourage spend accordingly. Following targeted intervention, we are very close to hitting the targets on volume and value has been achieved in key areas to avoid de-commitment and unlock the performance reserve of 6%.
6. The FLAG's have been challenged with committing their budgets before March 2019, so we are working with the groups to ensure this remains on course. It has meant regular contact with the group to discuss eligibility and offer support/guidance. FLAG spend is a significant challenge in terms of the Performance Framework as they are required to spend £1.1m. There has been a huge effort to get to this target which we have recently surpassed which is an excellent achievement for MMO and the FLAG network.
7. The scheme is realising significant pressure on budgets and areas will inevitably be closed in the coming months. There are reviews of budgets ongoing and an exercise to check for any possible recycling of funds is underway. Where projects have not spent the full amount of grant funding offered to them.

Challenges in different areas of the country/Can we learn from delivery in different areas?

8. Unlike the other Structural Funds, delivery of EMFF projects in England is not delivered by regional teams as the number of projects is small and the applications require some degree of technical knowledge of the seafood sector; all English applications are processed by the MMO's EMFF team at their headquarters in Newcastle. Data is not categorised on a regional basis.

Robert Matthews, Defra
EMFF Programme Monitoring Committee