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 Regional Development Fund (ERDF) Progress Report

Purpose:

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

Recommendation(s):

That the Growth Programme Board note the current position.

Summary:

Overall Progress on Contracting
The contracting of projects is now a priority to ensure that the total value of contracted projects is enough to meet the 2023 targets.

As at 30 June, 737 projects (including 10 financial instruments) with ERDF of £1936m have been contracted (@ 0.9033 exchange rate). This represents 59% of the programme budget. Compared to the previous quarter, this is an increase of 38 contracted projects for £132m ERDF.

At the end of June there are 389 applications (for £813m ERDF) currently being assessed including one financial instrument (£15m ERDF). This pipeline a further 24% of the programme budget and includes £46m Intermediate Body (IB) submissions applications.

Adding contracted projects with those in the pipeline, represents 83% of the programme budget. By Category of Region this is Less Developed 113%, Transition 76% and More Developed 81%.

Overall Progress – Expenditure
Cumulative claims paid by the Managing Authority (MA) to grant recipients total £752mm ERDF to 30 June 2019, an increase of £70m from the previous quarter.

2018 Performance Framework Targets
Achievements levels as per forecasts, with all PF outputs achieved (over 85%) and the key PF expenditure targets above 85%

N+3 Target
Reflecting claims held in quarantine, 96% of the N+3 2019 has been achieved. These quarantined claims will be released throughout the year.

Programme Value and Targets

1. The value of the programme ERDF only is €3,649m (or £3296m @0.9033).

2. The ERDF+Match (TEE) Programme value is €6,572m. Using the exchange rate of €1 = £0.9033, values the Programme at £5,936m. The 2023 Performance Framework targets are measured against Total Eligible Expenditure (TEE).

3. Programme performance is also measured against N+3. This is measured against ERDF (based on CoR Intervention rates).

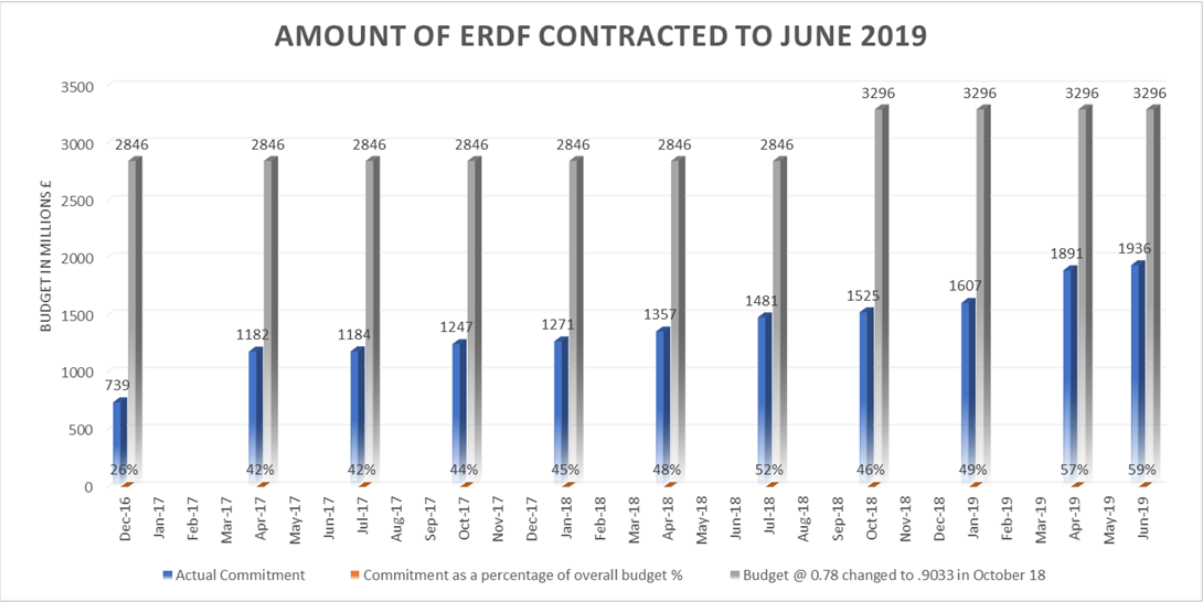
4. The Operational Programme value and all returns to the European Commission are based in Euros. Internal Performance Monitoring is also done in Sterling.

5. The analysis within this document reflects the revisions to the performance framework targets, as stated in the second programme modification, which was agreed during November 2018.

Programme Budget & Contracting

6. The chart shows the amount and % of ERDF that has been contracted over time to June 2019. There was a significant increase in commitment in the first part of the year, increasing from 49% of the programme value to 56%.

7. The contracting of projects is a priority and is being closely monitored to ensure that the total value of contracted projects is enough to meet the overall 2023 target.



8. As at 30 June, 59% of the ERDF allocation (Inc. FIs) has been contracted. By category of region this is Less Developed 63%, Transition 57% and More Developed 58%.

Category of Region	Allocation £m	Commitment £m (Inc. FIs)	Commitment %	Commitment & Pipeline £m	Commitment & Pipeline %
Less Developed	£412	£261	63%	£467	113%
Transition	£985	£565	57%	£752	76%
More Developed	£1899	£1109	58%	£1530	81%

9. The table shows the position with the pipeline included too. The pipeline will reduce as applications are processed.

N+3 Target

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 2018 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 2019 is €950m (or £859m @ 0.9033 exchange rate). 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.

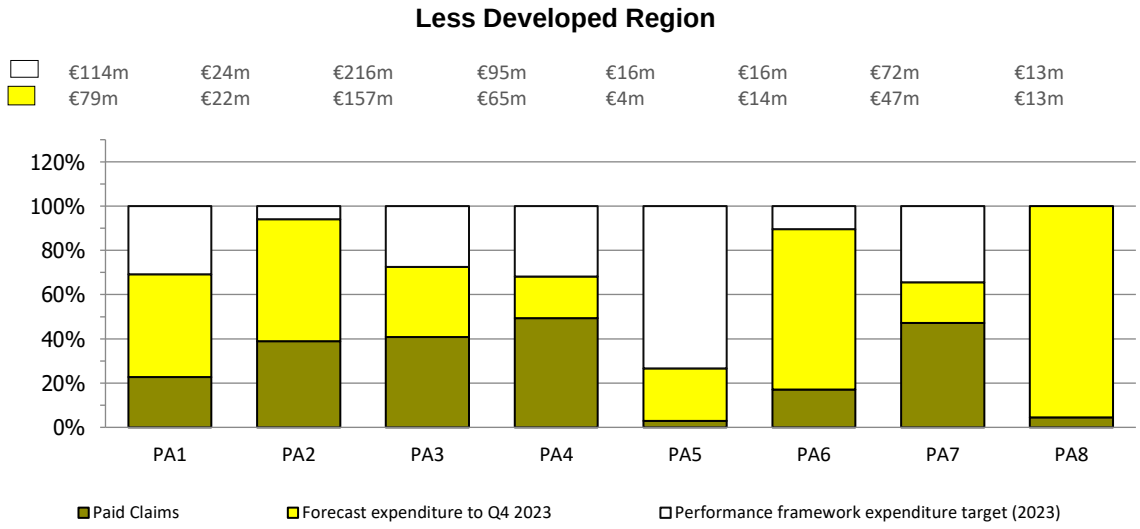
13. N+3 is only officially achieved when the certifying authority has submitted payment applications to the EC.

14. 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:

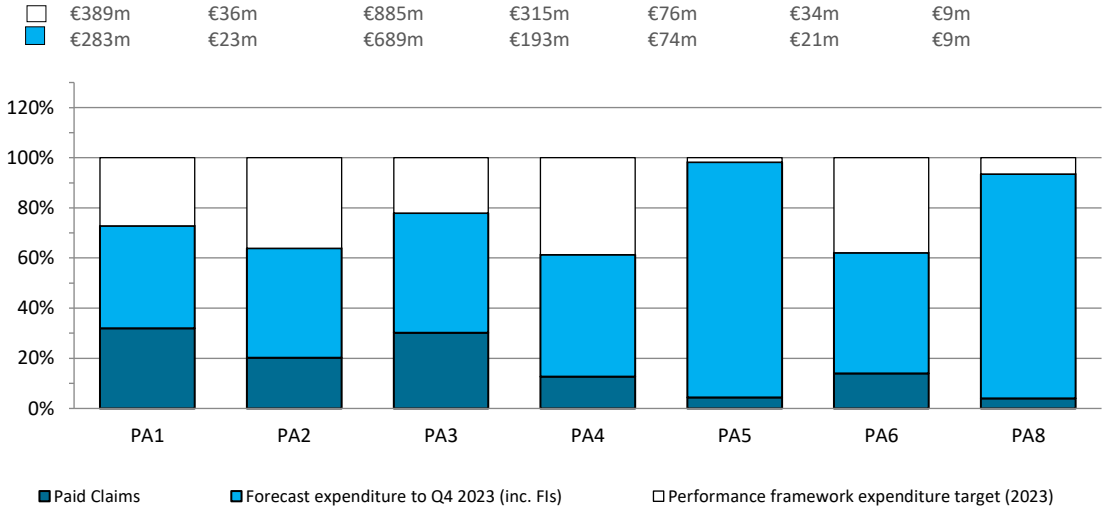
N+3 2019	Less Developed	Transition	More Developed	Total
N+3 target for payment claims (€m)	€ 120	€ 278	€ 552	€ 950
Less Payment applications submitted to the Commission at relevant exchange rate by 30th June 2019	€ 142	€ 244	€ 455	€ 842
Current gap (€m)	+€22	-€34	-€97	-€109

15. As at 30 June the MA has achieved 102% of the overall n+3 target based on the euro exchange rate. Taking account of claims held under quarantine the % achieved is 96%. The value of the claims held in quarantine will reduce throughout the year.

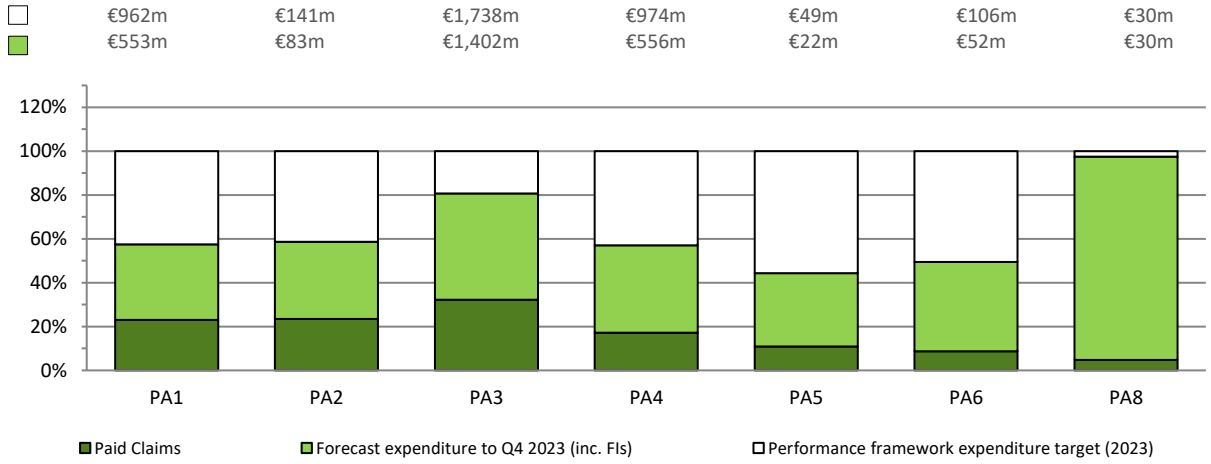
2023 Expenditure targets including paid claims (€m) by Priority Axis (exc. PA9) across each of the Category of Regions



Transition Regions



More Developed Regions



16. Contracting progress is steady on all the key Priorities PA1, PA3 and PA4. It has been slower on PA5 due to the nature of the projects. The June call round closing in September will bolster the position in due course.

17. On PA1 On expenditure all CoRs are making good progress in contracting - MDR has contracted 57% of the 2023 target, LDR 69% and Transition 73%. In terms of claims paid, MDR and LDR have achieved 23% of the 2023 targets and Transition 32.

18. On PA2 the current pipeline is forecast to achieve circa. 74%. Slippage in infrastructure projects is continuing and with BDUK funding deadline of March 2020 this could impact on projects' ability to fully deliver. Business support calls are planned for June 2019.

19. On PA3, against all 3 CORS, positive progress is being made against the 2023 performance framework targets with 63.5% of expenditure legally committed and £317.6m in the pipeline which would bring the total to 86% committed.

20. PA4 - A number of calls have closed in some of the core cities which have Intermediate Body Status resulting in an increase in outline applications. The call which resulted in an over subscription in Less Developed is still being processed and the level of funding will reduce to 100%

21. A PA5 workshop was run with Lincolnshire Flood and Drainage Board which identified two potential projects that could be brought forward. The NE has swapped funding with Leeds as Leeds have a greater demand for PA5 funding.

22. For PA6 the number of projects coming through previous calls has enable PA6 to recover from a slow start.

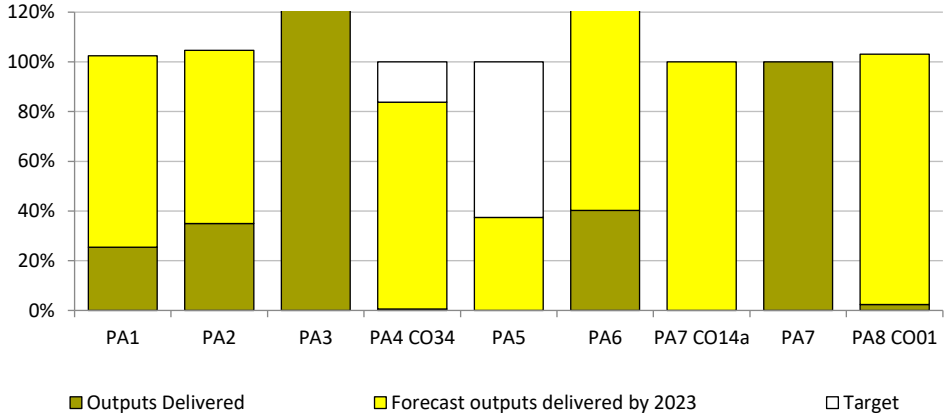
23. For PA7 A call of £12m has been issued for the A30 Major project and further call is due to be issued for the remaining sustainable transport allocation. The major project application is in final preparation for submission to the Commission via the Jaspers Independent Quality Review process. This will then enable to the delivery of the major project and the 12.5KM of road infrastructure. The major project application will be submitted towards the end of 2019.

24. On PA8 CLLD projects are implementing (with ESF) their strategies by issuing calls, & appraising, approving and contracting with end-beneficiary projects. A number of end beneficiary projects are now delivering local interventions. Spend by end Q2 2019 remains predominantly management and administration costs. Annual reviews & PCRs showed significant implementation delays and underperformance nationally. The Department required all underperforming CLLDs to submit recovery plans which are now in place & expected to result in increased delivery pace by end 2019. A first CLLD national practitioner network was held on 30 May which focused on addressing reasons for implementation delays and sharing good practice in other areas.

Forecast Delivery of Performance Framework Outputs as % of 2023 target by Priority Axis across each of the Category of Regions

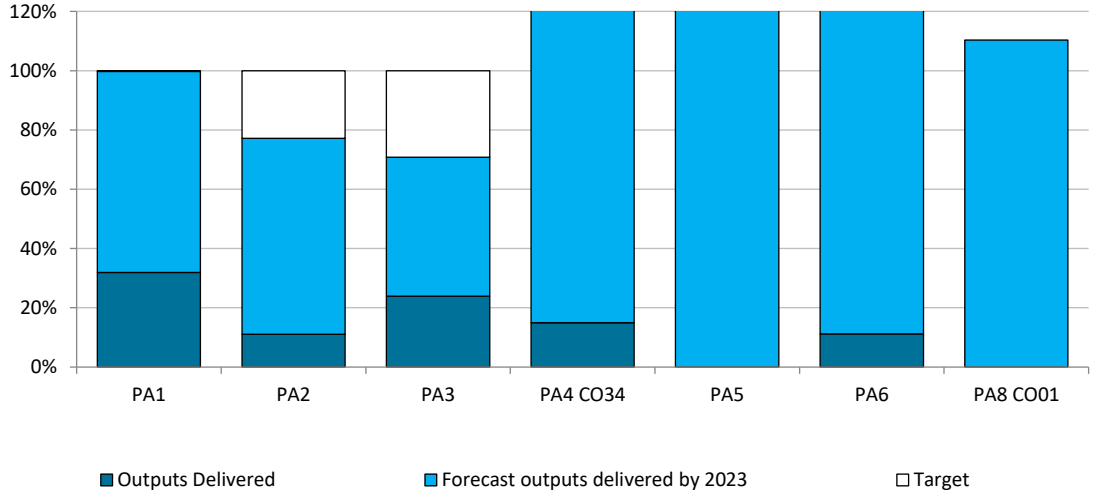
Less Developed Region

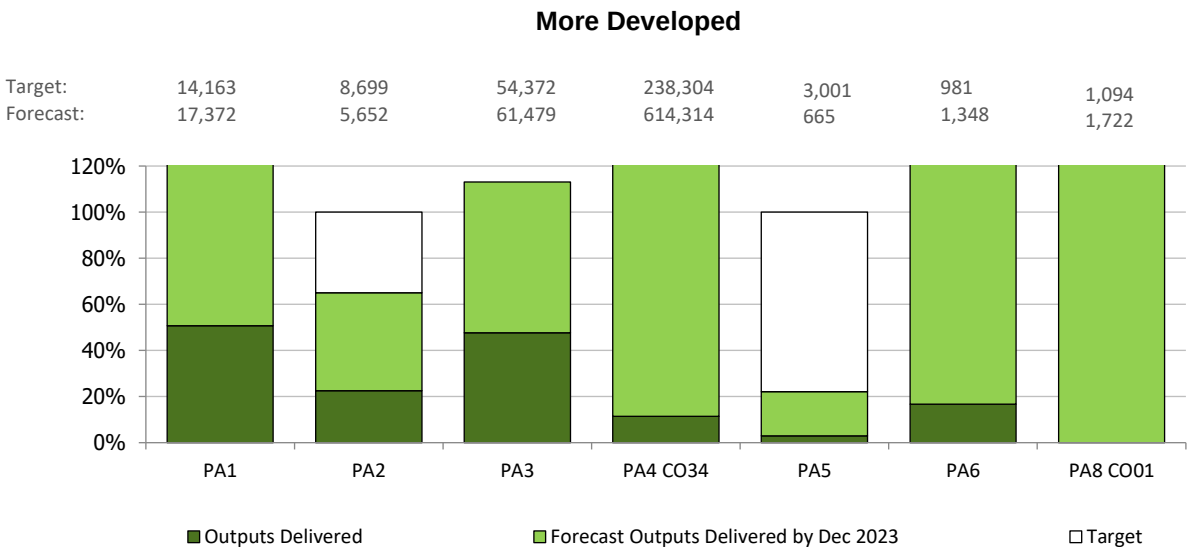
	PA1	PA2	PA3	PA4 CO34	PA5	PA6	PA7 CO14a	PA7	PA8 CO01
Target:	559	2,102	2,127	23,235	174	126	13	43	254
Forecast:	573	2,200	8,226	19,462	65	709	13	43	262



Transition Regions

	PA1	PA2	PA3	PA4 CO34	PA5	PA6	PA8 CO01
Target:	5,944	1,909	41,478	77,074	4,884	290	334
Forecast:	5,927	1,472	29,380	341,247	8,956	439	368





25. Forecast output progress is steady on all the key Priorities PA1, PA3 and PA4. PA5 is low due to the pace of the projects coming through. PA1and PA6 showing good progress across all CoR.

26. On PA1 outputs are already showing a strong performance with all three CoRs contracting enough outputs to achieve the 2023 targets. Actual achievement ranges from 25% (LD), 32% (Transition) to 51% (MD). A positive performance overall with no particular areas of concern.

27. On PA2 there is a forecast of >65% for 2023 performance outputs across all the CoR.

28. On PA3, the LD COR has already achieved their output 2023 performance framework target and at this stage of the programme, both the MD and T CORs are making good progress against the 2023 output performance targets both in terms of what has been achieved to date and committed. It is anticipated when pipeline projects are committed and with the launch of the June 2019 calls where LEPs are anticipating maximising their PA3 allocations, there will be a healthy headroom of outputs

29. For PA4 outputs across MD and LD CoR are looking strong. Transition CoR needs to contract further outputs. This should improve due to the overall increase in the number of projects coming through from outline through to full application.

30. On PA5 the outputs in More Developed remain very challenging as the projects are not delivering the necessary level of outputs but are needed to protect areas.

31. For PA6 the level of outputs in all category of regions is looking very healthy and in particular less developed, primarily linked to one project that has been contracted with English Nature which covers a large geographical area.

Programme call schedule

32. The June call round was released made up of 132 calls individual calls with a total value of £613,164,080 This will close at the end of September and applications submitted will then be reviewed and assessed. Following this call round, a review will take place to see in any additional calls are required for remaining budgets.

33. Additionally, £46m of ERDF applications have been received reflecting IB submissions

Sustainable Urban Development (SUD)
Overall performance across the nine SUD areas:

	£	% (SUD allocation)
ERDF contracted to live projects	£190,628,822	65%
Applications in the system	£66,106,997	22%
Balance remaining	£38,416,417	13%
Total SUD value	£295,152,236	100%

34. The level of ERDF committed to live projects has increased from 62% to 65% of the SUD allocation since the last Growth Programme Board report.

35. However, the level of funding remaining available to commit remains largely constant at £38.4m (i.e. 13% pf the allocation; previously 14%). This is due to attrition at the outline and full application stages.

36. Calls are currently open across a number of SUD areas. These new applications will result in further progress towards meeting the EC regulatory target that at least 5% of the ERDF resources allocated at UK level shall be committed to SUD (which, in practice, is tasked to England).

37. The table shows a snapshot of progress by SUD area at the time of writing (August 2019):

			Pipeline			
SUD area	**ERDF allocation**	**live**	**outline application**	**full application + funding agreement**	**% live + pipeline**	**Available to commit**
Greater Birmingham and Solihull	£11,742,900	£0	£0	£9,930,994	85%	£1,811,906
Bristol	£3,089,286	£0	£0	£789,286	26%	£2,300,000
Leeds City Region	£18,020,000	£636,065	£6,605,276	£8,987,665	90%	£1,790,994
Liverpool City Region	£11,233,439	£10,308,255	£0	£0	92%	£925,184
Greater Manchester	£24,325,869	£13,477,041	£0	£3,650,473	70%	£7,198,353
North East	£21,498,540	£5,762,011	£5,887,415	£6,280,063	83%	£3,569,051
Nottingham and Derby	£11,349,965	£2,818,520	£0	£7,437,555	90%	£1,093,890
Sheffield City Region	£9,613,000	£9,267,378	£0	£0	96%	£345,622
London	£184,279,237	£148,359,550	£0	£16,538,270	89%	£19,381,417
Total	**£295,152,236**	**£190,628,822**	**£12,492,691**	**£53,614,306**	**87%**	**£38,416,417**

38. This headline data, and within areas' SUD allocations there are variances in the levels committed (or over-committed) within the different Priority Axes.

Financial Instruments

39. To 30th June 2019, the ERDF programme had contracted ten financial instruments (FI) worth £1,259.86m; comprising of £503.60m ERDF and £756.26m match funding. These are detailed in table 1 along with some new data on delivery.

Project	FI Type	Applicant	ERDF	Match	Total	Draw down	Invested
Northern Powerhouse Investment Fund (NPIF)	Access to Finance	BEIS (BBB)	£140.4m	£261.6m (EIB £183.65m)	£402m	50%	31% (£123m)
The North East Fund	Access to Finance	North Tyneside Council (for 7 LAs in NELEP area)	£58.5m	£81.5m (EIB £60m)	£140m	25%	20% (£28m)
Greater Manchester Fund of Funds - Urban Development Fund	Urban Development & Energy Efficiency	Greater Manchester Combined Authority	£60m	£60m	£120m	25%	37% (£44m)
Midlands Engine Investment Fund	Access to Finance	BEIS (BBB)	£78.5m	£187.6m (EIB £122.5m)	£266.1m	25%	13% (£35m)
Cornwall & Isles of Scilly Investment Fund	Access to Finance	BEIS (BBB)	£32m	£8m	£40m	25%	5% (£1.9m)
Mayor of London Energy Efficiency Fund	Urban Development & Energy Efficiency	GLA procuring Fund Managers	£43m	£43m	£86m	50%	12% (£10m)

London SME Fund	Access to Finance	Funding London	£35m	£65m (EIB £50m)	£100m	25%	1.3% (£1.3m)
Liverpool UDF	Urban Development Fund	Liverpool City Region	£25m	£18.2m	£43.2m	25% Oct'19	n/a
Low Carbon Innovation Fund II	Access to Finance	Norfolk County Council	£11.2m	£11.36m	£22.56m	25% 2020	n/a
Cheshire & Warrington UDF	Urban Development Fund	Cheshire East Council	£20m	£20m	£40m	25% Jan'20	n/a
Total Approved			**£503.6m**	**£756.26m**	**£1,259.86m**		

40. Five of these have made their first claim of ERDF, and two (Northern Powerhouse Investment Fund and the Mayor of London Energy Efficiency Fund) has made two. Overall, £157m has already been claimed by FIs.

41. There is one additional FI under consideration scheduled for approval in October 2019. This is potentially worth £25m; comprising of £15m ERDF and £10m match funding.

Community-Led Development (CLLD)

42. 21 ERDF CLLD projects are live.

43. The MA previously reported that following 2018 annual reviews, all CLLD projects were required to submit recovery plans to address underperformance. The plans prompted the CLLD accountable bodies to review a range of potential constraints and propose improvements/change to be introduced to improve delivery momentum.

44. Plans have been submitted and reviewed by the MA. In the main, the recovery plans demonstrate a sound understanding of the reasons for underperformance in each CLLD and set out milestones to implement a range of actions to address the issues/constraints identified. Progress will be closely monitored.

45. Delivery is gaining momentum in the majority of CLLDs. Two CLLD programmes report Local Action Groups have approved applications to the full value of ERDF allocation. Project /application pipelines have emerged, and some end beneficiary projects have

now commenced delivery and expenditure and outputs from those projects is expected in quarter 3 claims.

46. The next meeting of the CLLD practitioner network is scheduled for the end of September which will focus on providing the opportunity for CLLDs to share experience and learning of CLLD implementation with MHCLG colleagues involved in scoping future funding programmes. GPB will be informed of events and their outcomes in GPB Programme updates.

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Compliance

48. 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.

49. Work continues at pace on the 2019 visit schedule. To date 50 visits have been undertaken, of which 18 are closed. With reference to previous visit years, 1 visit remains open from 2017 and 6 from 2018. The 2017 visit is not yet closed due to an E-claims issue; TSO have resolved the issue going forward but the GDT are not clear how to resolve the previous claims. The team are working hard to close the remaining 6 visits from 2018.

Visits Undertaken (2016 OTSV Schedule)	Value of claims selected for visit schedule	Total value of claims tested	At Risk	At Risk %	Confirmed Irregularities	Confirmed %
142	£34,968,079	£34,968,079	£2,061,406	5.9%	£15,740	0.05%

Visits Undertaken (2017 OTSV Schedule)	Value of claims selected for visit schedule	Total value of claims tested	At Risk	At Risk %	Confirmed Irregularities	Confirmed %
182	£106,767,129	£106,767,129	£15,043,534	14.09%	£671,109	0.63%

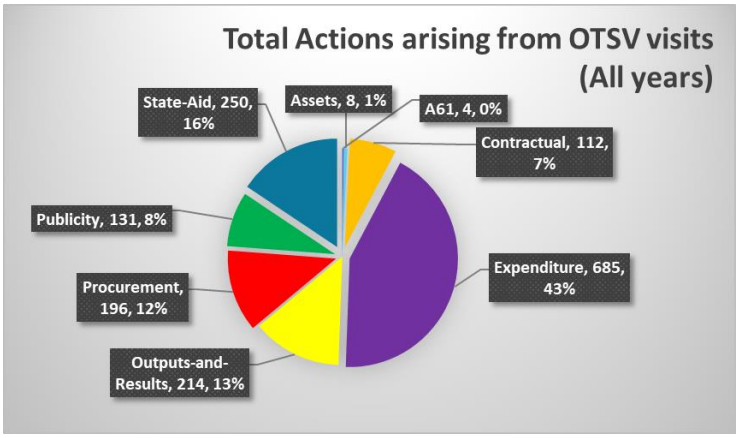
Visits Undertaken (2018 OTSV Schedule)	Value of claims selected for visit schedule	Total value of claims tested	At Risk	At Risk %	Confirmed Irregularities	Confirmed %
204	£111,893,780	£111,893,780	£3,013,023	2.69%	£564,944	0.5%

Visits Undertaken (2019 OTSV Schedule)	Value of claims selected for visit schedule	Total value of claims tested	At Risk	At Risk %	Confirmed Irregularities	Confirmed %
177	£196,230,224	£56,967,179	£1,846,252	3.24%	£14,068	0.02%

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
1600	1545	55	338

50. Monthly analysis of A125 visit actions is undertaken and reported in the Monthly Performance Pack. Actions raised are broken down by category below:

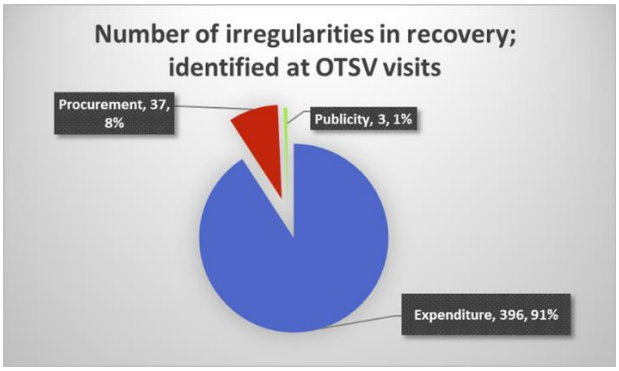


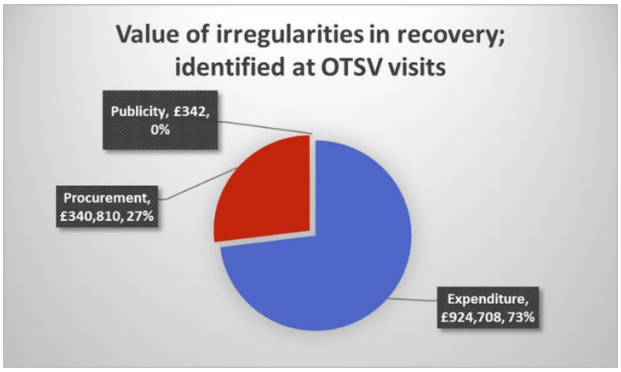
Category	Number	Trend
A61	4	↑
Assets	8	↑
Contractual	112	↓
Expenditure	685	↑
Outputs and Results	214	↑
Procurement	196	↑
Publicity	131	↓
State Aid	250	↓
	1600	

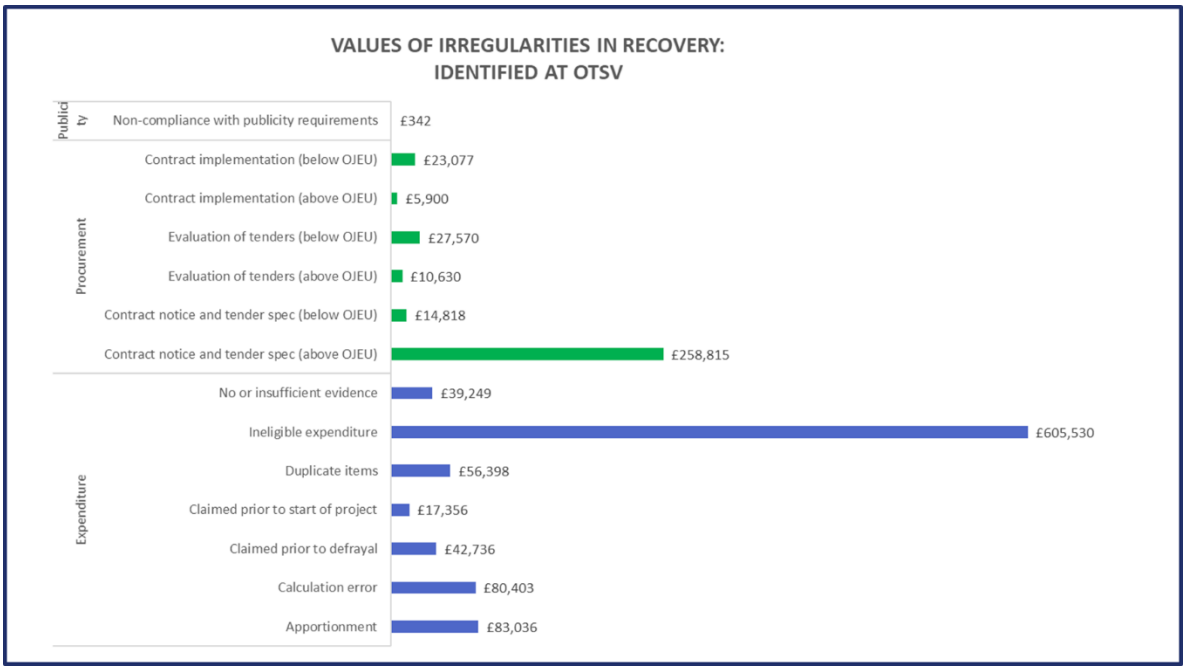
51. An analysis has been carried out on irregularities that were identified by the OTSV process. The charts below show the number of irregularities in recovery by category,

along with the value by category and sub-category. Despite actions being raised in all categories only 3 categories have resulting irregularities.

Irregularities identified by OTSV process







Cross cutting themes – Sustainability

52. The role of the Sustainable CCT in the 2014 - 2020 programme has been to look what the sustainability impacts and opportunities projects have in delivery and not in regard to the organisations delivering them. Experience from 2007-2013 programme has shown

that in many cases the role of environmental policy and travel plans that organisation may have, has limited impact on the environmental performance of ERDF projects.

53. The 2014-202 programme is a much more sustainably balanced programme than the 2007-2013 programme with £837 million allocated to Priorities 4, 5 & 6, delivering a range of sustainable objectives from greenhouse gas reductions through to improving the biodiversity of areas. The CCT within the current programme have been focused on Priority Axis 3, as it was difficult to understand what meaningful impacts could be delivered in Priority Axes 1 and 2 and 4, 5 & 6 deliver them by default. Applications coming through PA3 are required to ensure SMEs are signed posted to resource efficiency opportunities, either through online tool kits or through PA4b resource efficiency projects that are running locally.

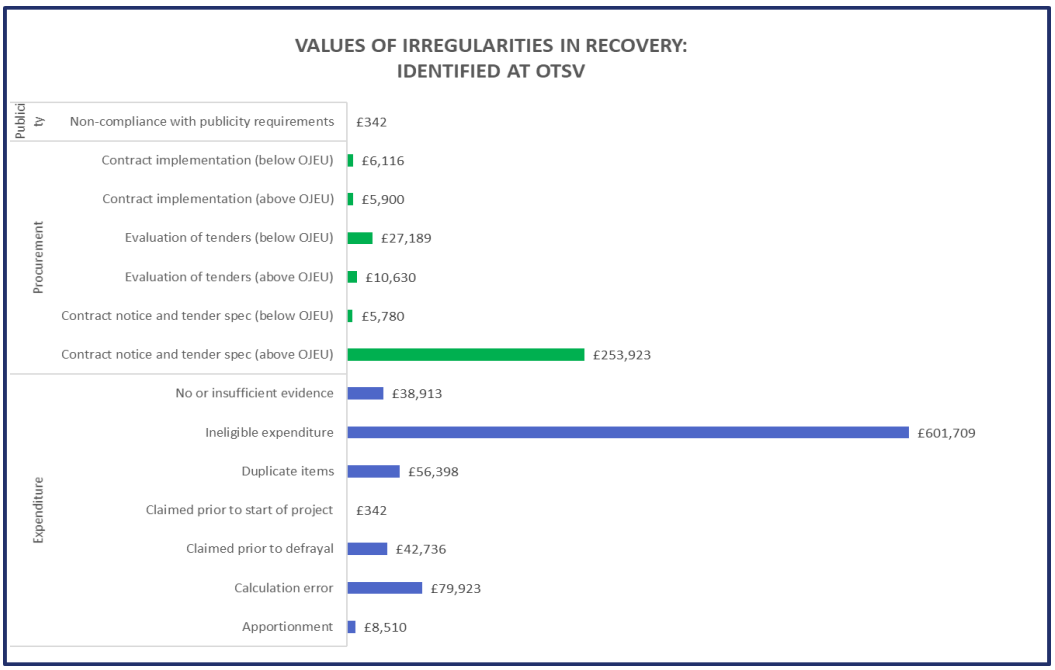
Equality & Diversity

54. The equality principles of the Programme are guided through the Equalities National Sub Committee (ENSC) of the Growth Programme Board and embedded in the Terms of Reference (ToR) of Local ESI Funds Committees. The ENSC meeting of January 2018 highlighted the lack of MI available from the ERDF. An action was raised to clarify the role of the committee regarding ERDF and incorporated into the overall review of the National Sub Committees ToR. The 2018 Revised ToR reflected the following activities:

- To monitor the application and implementation of equalities principles across ERDF and ESF programmes in order to advise the GPB and MAs on risks and opportunities identified;
- To provide advice and recommendations to the GPB on equality related issues within European programmes and
- To undertake analysis into specific thematic/policy/operational related issues on behalf of the GPB as required, and report findings back to the GPB.

55. To support these points a Task and Finish group was established and met in September 2018; The group fed back that ERDF had made progress, the issue being not around the collection of data but the inaccurate input of data by claimants. ERDF only collects high level data targets on equality within the outputs C1, C8 and P11 and these are based around the protected characteristics of Gender, Disability, Age and Ethnicity of final beneficiaries. A Jaspersoft report has been developed to provide results and outputs for Equity and Diversity Data and presented at the July 2019 ENSC by Stephen Hayler. The ENSC were interested in the numbers although the data has yet to be reviewed and analysed to which the ENSC has suggested a joint MHCLG and DWP task and finish group to inform future investment decisions.

56. The group also discussed the possibility of collecting demographic information from business founders/leaders who are receiving support through ERDF. Currently data is only collected to give information about the business, the consequence being little knowledge which business communities are benefiting from investment. The potential was discussed, to run a pilot around this work to inform how this could be integrated into future programmes/successor funds, the resources for this would need to be identified in line with the development of any successor funding.



ESF Progress Report

Purpose:
This paper provides a progress update to the Board about activity on the ESF Programme.

Recommendations:
That the Growth Programme Board notes the current position.

Summary:

This paper provides the latest Programme update and advises the Board of the action the Managing Authority (MA) is taking to address the challenges that lie ahead.

Following the focus on prioritising the 2018 N+3 target, claims are in a much stronger position than last year and we expect that the Q2 2019 claims, which we are now receiving, will be sufficient to enable us to achieve the N+3 2019 target

The final call plans were received from LEP areas as previously reported and all the calls have been incorporated into a forward timetable, to the end of December 2019. This timetable continues to be rigorously managed with the aim of maximising spend and minimising wasted opportunity. To facilitate this, the MA liaises regularly with LEP areas, via the LEP Lead network, to ensure that calls are ready for publishing on the allocated date. Additionally, the MA retains a reserve list of calls that have been submitted early and could be published before their allocated slot. Members are asked to assist in this process by reinforcing the message that submitting calls as far ahead of their allocated slot as possible would greatly assist the MA to maximise commitment. Any future call proposals that are not already in this pipeline will be assessed via the ESF Reserve Fund process. The MA is recruiting extra resource into its appraisal team to ensure the appraisal process is agile enough for the anticipated future demand.

As members will be aware, the Annual Implementation Report (AIR) is the vehicle through which the MA's achievement in reaching the targets stipulated by the European Commission (EC) is ratified and enables us to draw down the 6% Performance Reserve. This was approved at the June meeting of the Growth Programme Board and subsequently submitted on 27th June and accepted by the Commission. The MA is in discussion with the Commission about the correction of some data anomalies that were discovered after submission. A revised data set for the affected table was sent to the Commission on 15th August.

The payment interruption mentioned in the last report has been lifted by the Commission. The MA is now in the process of receiving payments totalling approximately €540 million from the Payment Applications submitted but not yet paid (IPAs 9a, 9b and 10), as a result of the resumption of payment activity. Additionally, IPA 11 has been submitted recently.

All data included in this report is as at 31st July 2019 and uses the August exchange rate of € 0.91653, unless otherwise stated. In an attempt to provide the Board with the latest available data, the Performance Framework data presented has different period end dates for participant and financial elements. Unlike the financial data, the Participant data is only available on a quarterly basis.

The position at the last report (with ESF data to 30th April 2019), is shown in brackets for comparison purposes.

Programme Update:

Calls and Commitment Update:

- ESF commitment, as of 31st July 2019, was £2.018 billion (£1.95 billion), 66.5% (64.5%) of the total ESF allocation.
- In Priority Axis 1 and 2 there are 213 (190) Direct Bid projects with commitments totalling £469.9 million (£430.4 million) and 153 MOUs for the National Co-Financing Organisations (CFOs), valued at £1.5 billion.
- There are 41 (40) ESF Funding Agreements for Technical Assistance with a value of £28.3 million (£23.4 million).
- There are 53 (65) Full Applications in appraisal, which total £106.5 million (£220.9million) (PA1 £61.2m, PA2 £45.3 million and PA3 £75,000).

1. As advised in the summary to this paper, the MA manages the call publication process carefully to maximise expenditure and avoid wasting available call slots. As part of this, the LEP Leads regularly consult with their LEP areas to ensure that the LEP commitment plans are realised and calls are ready for publication in good time. Where this has not been possible, the MA holds a list of calls that have been submitted early and that could take advantage of any vacant slots, publishing calls in turn from this list.

2. However, this is not always possible, as the number of vacant call slots continues to exceed the number of calls being submitted ahead of schedule. It would greatly assist the MA in maximising commitment if members, through their networks, would reinforce the message that calls need to be submitted as soon as is practicable to the MA and in any event, by the date given for moderation (usually two weeks prior to the publishing date).

3. A simple comparison exercise last year revealed slots "wasted" totalling approximately £18M over a 6-month period. However, now that calls values are much higher, this has the potential to be a very significant issue and hence the MA's approach to managing the process. Additionally, the number of spare slots left in the timetable to accommodate individual LEPs in their requests to rearrange their allocated dates is now extremely limited.

4. At the time of drafting this paper, the forward timetable contains 54 calls, to the value of £135,323,161. This comprises 22 PA1 calls (£39M; 29%) and 32 PA2 calls (£96.3M; 71%). Additionally, there are several timetabled calls where the LEP has yet to confirm their value, so the final total will be higher than this. Again, for those calls that are currently lacking detail, it would greatly assist the MA if members could use their networks to ensure that calls plans are firmed up with the MA by 30th September at the very latest.

5. The MA published a National YEI Call in July. The Call is predominantly for the More Developed (MD) Category of Region (CoR), as this is the CoR where the vast majority of residual YEI funding is available. Additionally, there was a smaller component to the Call for the Transitional CoR of the Liverpool City Region only, where some additional allocated funding remains. The total ESF amount available is £80m for the MD CoR and £1M for T CoR, making the total Call value approximately £81M ESF. The call will remain open for eight weeks from the date of publishing. It covers the following areas: Black Country; Coventry and Warwickshire; D2N2; Greater Birmingham & Solihull; Leicester & Leicestershire; Liverpool City Region and South East LEP, and the T CoR of Liverpool City Region. Please note, these are the only eligible YEI areas.

6. At the time of drafting this paper, there are 33 live calls, totalling £190.8M.

ESF Reserve Fund

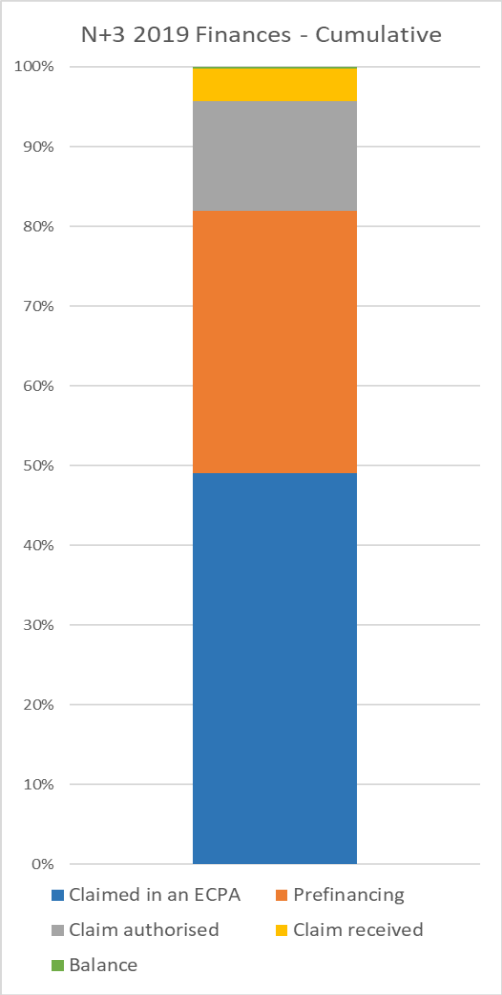
7. At the June meeting of the Growth Programme Board, the Managing Authority provided a detailed paper setting out the end to end process to ensure local areas are fully supported in developing and submitting Call proposals, the criteria against which Call proposals will be considered and arrangements for managing available funds. Board members confirmed they were content with the approaches and arrangements as set out in the paper. Since then, we have worked closely with local areas to ensure any remaining Calls drawing from notional allocations are in train and logged with the Managing Authority and we are grateful to colleagues for working with us to ensure we are in the best place possible to complete the final stages of work to implement the Reserve Fund. The Managing Authority has carried out detailed work to ensure we are clear on the total amount of funds for which there are no current plans. At the point of writing this update, this work is almost complete and, subject to approval from the ESF DWP Programmes Management Board, we will be in a position to write to ESIF Sub-Committee Chairs during the first half of September setting out arrangements going

forward. A verbal update on implementation will be provided at the Board meeting on 19 September.

8. The Managing Authority (MA) is negotiating a proposal from HMPPS to deliver ESF funded provision which will target inactive offenders who are either currently serving a custodial sentence or released on license. Support will have a particular focus on addressing skills needs, particularly amongst army veterans and women. HMPPS anticipate support being available across all Transition and More Developed CoRs and have indicated provision will be locally sourced, both for LEP areas with prisons and for areas where prisoners are released on license. HMPPS has a strong track record in delivering support to some of the hardest to help clients; this additional provision will address performance gaps in the inactive target group and provide specific support to widen access to provision for offenders. HMPPS are seeking an additional £60m to fund the provision which the MA anticipates being met through funding returns indicated by other CFOs.

Progress on N+3 Target:

Table One: N+3 2019 Finances – Cumulative Performance

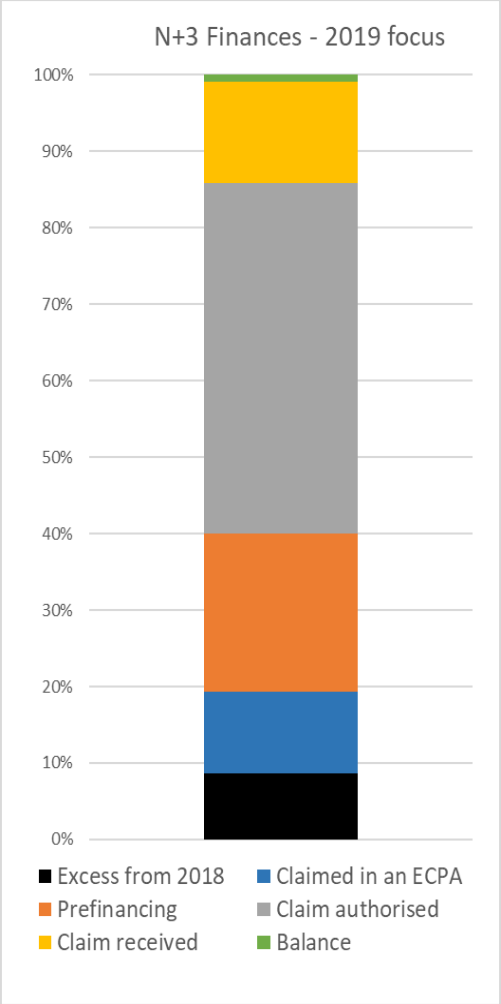


Target	€	1,449,755,872.00	
Claimed in an ECPA	€	711,759,447.25	49.10%
Prefinancing	€	476,792,823.99	32.89%
Claim authorised	€	199,361,712.18	13.75%
Claim received	€	58,072,508.12	4.01%
Balance	€	3,769,380.46	0.26%

The Bar Chart and legend illustrate the N+3 Performance of the Programme to date. The table illustrates in more detail how this performance is made up. The N+3 target each year is cumulative and therefore includes the performance from previous years. The increase in target between 2018 and 2019 is €435,279,921; see Table Two for more detail.

Table Two: N+3 Finances – 2019 Focus

A detailed breakdown of the 2019 performance is at Table Two, below:



2019	Target	€	435,279,921.00	
	Excess from 2018	€	37,695,861.63	8.66%
	Claimed in an ECPA	€	46,200,168.27	10.61%
	Prefinancing	€	90,180,290.34	20.72%
	Claim authorised	€	199,361,712.18	45.80%
	Claim received	€	58,072,508.12	13.34%
	Balance	€	3,769,380.46	0.87%

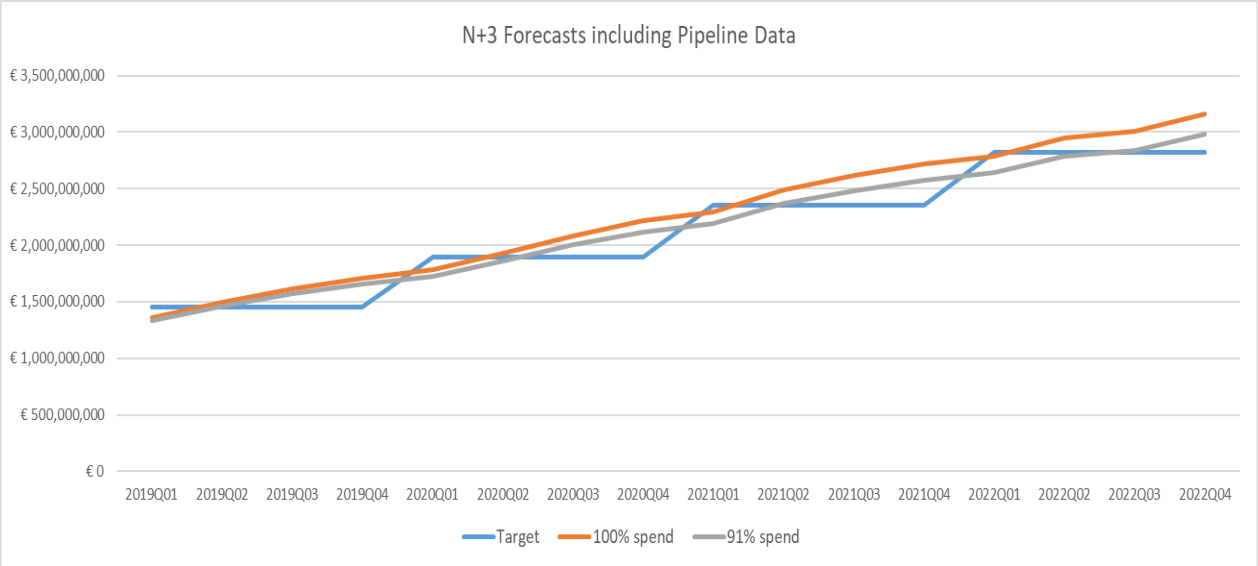
The Bar Chart and legend illustrate the N+3 Performance of the Programme in 2019. The increase in target between 2018 and 2019 is €435,279,921. The table illustrates in more detail how this performance has been achieved so far this year.

- Table Two focuses on the yearly increase providing an insight on the position for 2019. This feeds into the wider cumulative target as seen in Table One.
- In 2018 we over achieved the N+3 target by 4%. This figure is represented in the table under 'Excess from 2018';
- European Commission Payment Application (ECPA) 11 was submitted by the Certifying Authority (CA) in July 2019 and this expenditure is included within 'Claimed in an ECPA' information above;
- The pre-financing is set by the European Commission each year;
- 'Claims authorised' and 'Claims submitted' figures are high at the moment, as a result of the MA encouraging timeous submission of claims, to facilitate early achievement of

the 2019 N+3 target. 2019 Q1 Claims are still being received and are currently being processed, as are some from Q2. When these are certified and claimed back from the Commission, just 0.87% of the target in 2019 will remain, assuming the claims are authorised as expected;

- This translates into a balance of €3,769,380 still to achieve this year. Further anticipated claims should enable us to reach our target.
- To ensure that we remain on track to achieve this target, the MA is again setting up its N+3 group. The group will meet regularly to monitor claims and payments to ensure that we achieve the target and avoid the issues that were experienced in doing so in 2018.

Table Three: N+3 Forecasts to 2021, including Pipeline data



9. As can be seen in Table Three (above), the performance forecast for the 2019 N+3 shows that we expect to receive sufficient claims from Q2 2019 to be able to meet the target. The table illustrates the forecast for the next three years, taking account of current commitment levels and all known pipeline data and shows the projected N+3 performance at two different claim rates. As can be seen from the legend:

10. The trajectory depicted in orange shows performance at 100% claim rate, which would result in receiving sufficient claims to achieve, for example, the 2020 N+3 target in Quarter 1 of 2020.

11. The trajectory depicted in grey, demonstrates performance at around the current claim rate, which is further improved since the last report and shows that we would be on track to receive sufficient claims to achieve the 2020 N+3 target in Q2 of that year.

Members are asked to note that the claim rate will fluctuate with time as well as performance. For example, the claim rate had improved to 93.6% by the end of Q1 2019, despite adverse movements in the exchange rate. With the addition of the Q2 profile, this has temporarily dipped to 85.31% (as shown in Table Four). This is because the Q2 claims have only just started to come in against this profile and the reported performance will therefore increase as further Q2 claims materialise.

12. The MA is keen to ensure that this level of performance is maintained for the duration of the programme and is working to continue the increase in the claim rate by improved processing of claims and robust contract management, of both CFOs and Direct Grant Recipients.

ESF Claims Performance:

ESF Claim Performance against Profile:

13. The following three tables provide a comprehensive view of different aspects of Programme claim performance. Further details and mitigation are provided in the narrative in paras 14-15.

14. Table Four shows the performance of both Direct Bids and CFOs, in terms of claims against profile, with Table Five displaying this information by Priority Axis (PA) and Category of Region (CoR). Again, the success of the MA's push to improve the claim rate and other measures has resulted in significant performance improvement. As Table Five illustrates, there are exceptions to this general trend in performance improvement and it would greatly assist the MA's efforts to boost performance if members could relay the message through their networks, where performance improvement is necessary.

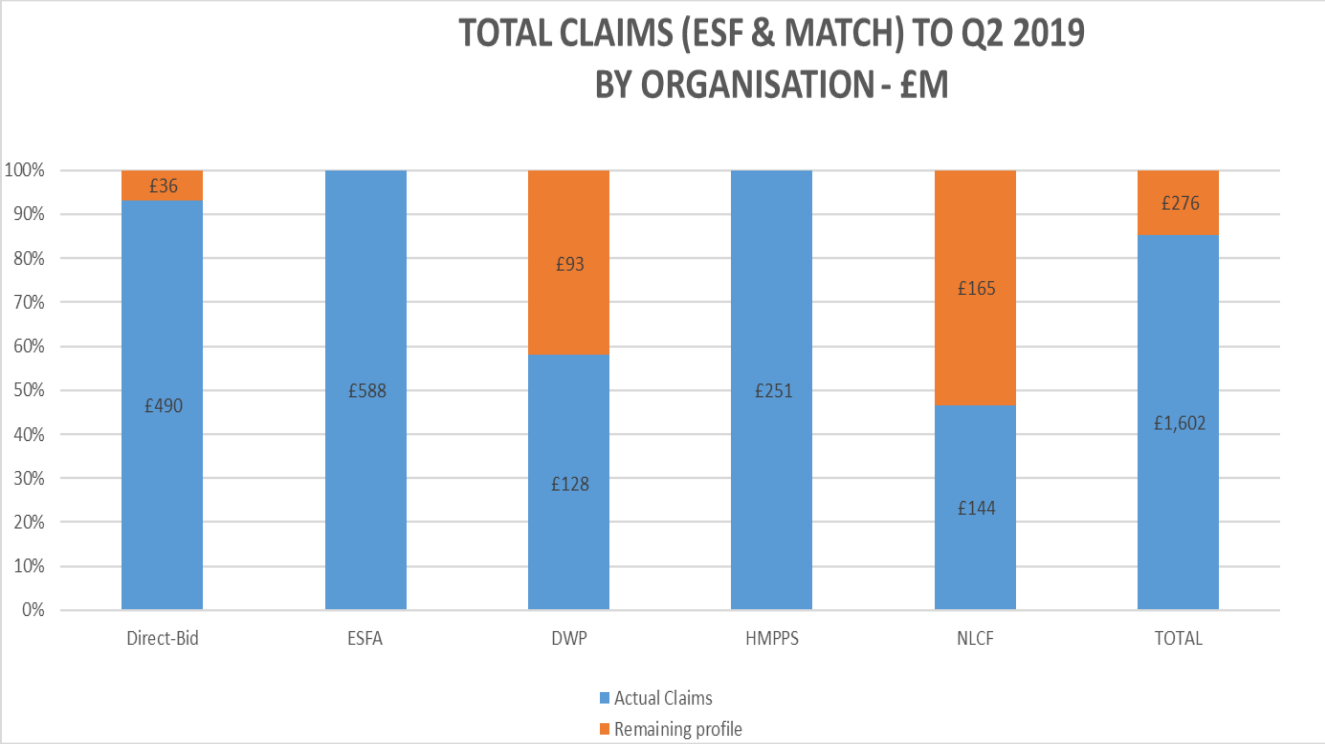
Table Four: Total (ESF & Match) Expenditure Timeline by Organisation type

CLAIMS SUMMARY				
Org Type	Cumulative Profile to Q2 2019	Cumulative Claims	Slippage	Percentage Claimed
Direct-Bid	£526,043,276	£490,075,364	-£35,967,912	93.16%
ESFA	£652,085,246	£588,073,252	-£64,011,993	90.18%
DWP	£221,230,413	£128,268,382	-£92,962,031	57.98%
HMPPS	£168,900,528	£251,458,744	£82,558,217	148.88%
NLCF	£309,700,244	£144,303,520	-£165,396,724	46.59%
TOTAL	**£1,877,959,706**	**£1,602,179,263**	**-£275,780,443**	**85.31%**

Table Five: Total (ESF & Match) Expenditure by PA and CoR

CLAIMS SUMMARY					
Priority Axis	Category of Region	Cumulative Profile to Q2 2019	Cumulative Claims	Slippage	Percentage Claimed
1	Less-Developed	£35,655,019	£18,455,265	-£17,199,753	51.76%
1	Transitional	£231,883,547	£244,918,854	£13,035,306	105.62%
1	More-Developed	£970,181,588	£822,940,122	-£147,241,467	84.82%
1	YEI	£178,915,311	£160,730,525	-£18,184,786	89.84%
2	Less-Developed	£15,461,656	£11,900,321	-£3,561,335	76.97%
2	Transitional	£94,205,234	£96,566,271	£2,361,037	102.51%
2	More-Developed	£311,370,773	£221,585,032	-£89,785,741	71.16%
3	Less-Developed	£1,944,265	£1,400,395	-£543,870	72.03%
3	Transitional	£8,893,862	£4,424,188	-£4,469,674	49.74%
3	More-Developed	£29,448,452	£19,258,291	-£10,190,161	65.40%
TOTAL		**£1,877,959,706**	**£1,602,179,263**	**-£275,780,443**	**85.31%**

Table Six: Total Claims (ESF & Match) to Q2 2019 by Organisation - £M



15. Table Six shows the total value of all claims, including both ESF and match funding, against the level of commitment to Quarter 2 2019. It is an illustration of the data in Table Four and enables members to see how the MAs' overall claim rate is made up, specifically the areas of strong performance and, conversely, the areas of concern within that overall rate. The claim rate, wherever it is an issue, is addressed and all CFOs submit detailed performance reports with each claim. The MA review these and seek further assurances where required. For example, see the narrative below regarding DWP and NLCF activity, as Table Six shows them to have the weakest performance, in terms of claims against profile.

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

The National Lottery Community Fund (NLCF, formerly BLF):

16. NLCF have been working with LEPs to consider extensions and recycle the funds in their MOUs. Their claims rates are increasing, and further stretch has been included to drive down unit costs and increase targets where actual performance indicates it is reasonable to do so. The majority of LEPs have been supportive of this approach. NLCF have also under claimed their admin costs since the programme started. This will be addressed as part of the PCR process with admin costs increasing to around

4% - still lower than the 10% they could claim and, in the majority of cases, without impacting on unit costs. The MA has discussed performance management with NLCF regularly and is satisfied that the expected steps are being taken to address poor performance where appropriate. This has seen improved performance for some areas or the loss of Delivery Partners who could not meet the ask in others.

17. Their Quarter 1 2019 claims were submitted on time and the MA have completed the initial checks and issued payments. NLCF have provided assurances that they are issuing MI to all LEP areas to support LEP Officers to update their local ESIF Sub-Committees. The Managing Authority has been copied in to all of those emails to give added assurance given previous reported concerns.

Her Majesty's Probation and Prison Service (HMPPS):

18. All claims to date have been paid. Monthly Performance Monitoring meetings are taking place and the first of their biannual Performance Monitoring Meetings was competed in May.

DWP:

19. DWP CFO are closing a number of Projects where performance has not met the required standard to qualify for an extension and where the MA would not support an extension in light of the performance to date. The MA is de-committing funding from those MOUs and has tasked DWP CFO to re-profile. The number of MOUs held with DWP CFO will reduce to eleven, with two of these being additional MOUs in new areas - The Marches and EM3. Activity starts for those two new contracts in October 2019. Currently there are no plans to offer new procurement in other areas. Work is underway to re-profile the MOUs that were not offered an extension, with an early estimate indicating approximately £35M will be de-committed from those MOUs where Project closure action is underway.

20. Some LEPs chose not to opt in for contract extensions even though performance had been acceptable. Conversely, other LEPs wanted to offer extensions despite poorer performance, but this could not be agreed due to the published criteria for extensions. Again, the MA regularly discusses performance management with the DWP CFO and is satisfied that the expected steps are being taken to address poor performance where appropriate.

21. As members will be aware, Working Links have gone in to Administration and FedCap have taken over their six ESF contracts. This will have impacted on claim rates but again we are monitoring this with DWP CFO. One of those contracts has been offered an extension and the LEP have been supportive of that.

22. In terms of performance reporting, the Department tried to overcome data sharing constraints through setting up data sharing arrangements with the LEPs. Unfortunately, at least one LEP could not meet the terms of the arrangements and so the arrangement broke down for all LEPs. This was discussed fully at a DWP ESF/LEP event in Birmingham that most if not all LEPs attended. MI has recently been published and can be found here https://www.gov.uk/government/statistics/european-social-fund-2014-to-2020-september-2016-to-april-2019. However, this covers all DWP ESF provision and is not broken down by provider/LEP.

ESFA:

23. Quarter 1 2019 claims were submitted on time and the Managing Authority have commenced initial checks and started to issue payments. Monthly Performance Monitoring meetings are ongoing, and their Performance Monitoring Meeting was deferred in May but completed in July. A number of LEP areas had market failure under phase two and the ESFA have now confirmed their intention to relaunch some of the ITTs following a review of the specifications. The ESFA have provided assurances that they are issuing MI to all LEP areas to support LEP Officers to update their local ESIF Sub-Committees. Work is underway to re-profile those MOUs that were not offered an extension. The MA has requested a de-commitment estimate once the academic year end reconciliation work has been completed. Where that work could be completed early, the MA and the ESFA have prioritised that activity to support the ongoing call schedule.

Update on claims submitted to the Commission:

24. As mentioned in the summary to this report, the payment interruption was lifted in July and we are currently receiving reimbursement of approximately €540,195,378.53, delayed from the following previously - submitted Interim Payment Applications (IPAs):

- IPA9a was submitted 23 November 2018 for €506,694,462. (£451,705,734) total eligible expenditure. We received payment of €237,276,659.02 on 15/08/2019
- IPA9b was submitted on 20 December 2018 for €509,667,043.10 (£454,140,429) total eligible expenditure. We received payment of €261,297,475.43 on 15/08/2019
- IPA10 was submitted on 19 March 2019 for €56,461,184 (£48,275,990) total eligible expenditure has been accepted by the Commission and we are awaiting payment of €30,117,576.56
- Additionally, FPA 11 for €21,463,621 was submitted in July has been accepted by the Commission and we are awaiting payment of €11,503,667.50

Progress on Performance Framework Targets:

Table Seven: Performance Framework (ESF & Match) Final 2018 Actuals Performance: Expenditure and Participants by Priority Axis and Category of Region for all Indicators

PERFORMANCE FRAMEWORK MILESTONES 2018

Priority Axis	Category of Region	Actuals (declared)	Actuals (not declared)	Forecast	Milestone total for 2018	Forecast Over/ Under	Percentage
1	Less Developed	€ 17,980,378			€ 23,263,000	-€ 5,282,622	77%
1	Less Developed	5,540		-	6,360	-820	87%
1	Transition	€ 209,353,675			€ 122,283,000	€ 87,070,675	171%
1	Transition	122,615	-	-	51,930	70,685	236%
1	More Developed	€ 663,015,335			€ 512,660,000	€ 150,355,335	129%
1	More Developed	328,730	-	-	220,910	107,820	149%
YEI Financial		€ 147,003,081			€ 92,366,000	€ 54,637,081	159%
YEI Participants		61,011			22,100	38,911	276%
2	Less Developed	€ 9,041,062			€ 5,823,000	€ 3,218,062	155%
2	Less Developed	5,166	-	-	1,310	3,856	394%
2	Transition	€ 52,233,752			€ 45,314,000	€ 6,919,752	115%
2	Transition	54,367	-	-	18,820	35,547	289%
2	More Developed	€ 150,307,753			€ 145,876,000	€ 4,431,753	103%
2	More Developed	113,970	-	-	55,780	58,190	204%

25. The data contained in Table Seven (above) represents the final outturn against the 14 Performance Framework (PF) targets. It is important to note that claims covering expenditure incurred by Grant Recipients until the end of the 2018 calendar year, but received in Q1 2019, contributed towards the Performance Framework achievement. To ensure maximum potential for the target to be achieved, the MA liaised with grant recipients to ensure that all eligible expenditure for 2018 was included.

26. As members will be aware, the performance detailed in Table Seven will effectively mean that the MA has achieved the Performance Framework targets at this milestone, as the Commission determines the PF targets as achieved if 85% (or more) of the target or over is recorded in all but one indicator at Priority Axis level. The one remaining indicator must be above 75% achievement. The AIR submission contained some data anomalies leading to a resubmission to the Commission on 15 August.

Priority Group Commitment: Annexes A (i) & (ii)

27. The tables in Annexes A (i) and (ii) highlight the proportion of funding that is committed, in each IP, compared to the proportion of outputs that have been committed. The “Red, Amber, Green” (RAG) rating is determined by this percentage value. Green in this case means that the MA has committed a greater percentage of that output target than the percentage of committed funding. Conversely, a Red rating would mean that the percentage of the output target committed was substantially lower than the amount of funding committed (i.e. with future calls or procurements relatively more Outputs would have to be purchased for the remainder of the funding allocation).

28. These tables therefore only measure commitment levels and not actuals.

29. In practice, this also means that Green indicates that the MA is broadly in line with, or lower than, the unit cost. Red signifies where the MA is significantly over unit cost for that IP and Amber, again, about in line with expectations.

30. As can be seen from Annex A (i) at Programme level, all sub groups are performing well against their targets, with the exception of 06 – Participants without Basic Skills. This is the only indicator which is not exceeding the value of the committed funding. Although it has improved slightly since last month, Outputs still lag 3.5% behind committed funding. However, within this, there is a specific area of under-performance in PA 2, specifically IP 2.1, which is 11% behind. People with Disabilities, (O5) is green at Programme level, but again there are areas of concern in both 1.2 and 2.1; the latter being the biggest commitment performance gap in the Programme, with committed Outputs at 19% points behind committed funds. The only other area of significant concern is ESF – CO03 “Inactive” client performance in IP 1.1. The MA intend to address these performance gaps via future calls (including the additional

application from HMPPS referenced above), prioritising those calls that will address the identified areas of concern.

31. However, at Programme level, performance across all areas is strong and there are some very significant areas of strong performance – for example ESF CO16 Ethnic Minorities is 30% points ahead in terms of the number of Outputs vs the amount of funding committed in IP 1.1, whilst in IP 1.2 the same indicator is 45 points ahead. O7 (Ex-Offenders) is probably the highest performer of all, where in IP 1.4, it is over 80% points ahead in the ratio of committed Outputs vs committed spend.

32. PA2 is proving slightly more challenging; there are two priority groups where additional participant commitments need to be made to meet the level of financial commitment. These are "participants with disabilities" and participants "without basic skills."

33. The recent increases are as a result of the MA's responsiveness to gaps in performance being addressed as part of the call planning work LEP Leads are working on through planned and future calls.

Priority Group Actuals Performance: Annex B

34. **Annex B** provides 'actual performance' for sub-group by Category of Region. This provides Participant data until end Q1 2019, the latest available at the time of writing. As explained in the summary to this paper, the PF financial and participant data have different period end dates

LEP Level Performance: Annex C

35. The charts at Annexes C (i) and (ii) provide an overview of the progress against LEP allocations by Category of Region. The Managing Authority is undertaking a separate piece of work looking at LEP commitment levels; this will particularly focus on those LEPs with the lowest commitment.

36. As can be seen from the key on the chart:

- Committed – represents the current level of commitment
- Pipeline – shows the level of commitment and *in addition* everything in the known pipeline (i.e. live calls, planned calls, applications and PCRs);
- Uncommitted – represents the performance gap to achieve the total LEP allocation. Uncommitted funds will be drawn together in the Central Reserve Fund.
- Claimed – is the actual performance to date against the commitment;
- Over-committed – gives details of LEPs that have gone over their allocation.

37. To further increase commitment, Calls are being prioritised to address shortfalls in the participant sub-groups and we have taken a number of measures to increase the size of calls and increase the spend.

38. **Annex D** provides LEP level detail of commitment levels by investment priority. New calls issued will have a positive impact on the commitment at both National and LEP level, contributing to increasing committed outputs in sub-categories where there had previously been low commitment

Cross Cutting Themes

39. The national ESIF Equality & Diversity National Sub-Committee has set up a small working group to look at developing some good practice / `hints and tips' guidance on managing the records of participants who are transitioning between genders and changing identities. The working group has drafted guidance and has been reviewing it over the summer. The guidance is expected to be cleared imminently.

40. The Managing Authority continues to work closely with Home Office policy colleagues to develop guidance for ESF providers on how they can make use of the new `Right to work in UK 'online checking system. This checking system is primarily aimed at employers – but will be of use to ESF beneficiary organisations checking basic eligibility of certain participants – e.g. third country nationals and, in future, EC nationals etc. The GIAA internal audit team have been involved in this work and see it as a helpful approach to checking of eligibility for certain types of participant.

41. The MA aims to produce a mainstreaming progress report explaining the progress that has been made in equality mainstreaming from the start of the programme until the end of 2018. The report will be presented in draft form to the next meeting of the Equality and Diversity National Sub Committee on the 29th October 2019. Once approved by the committee, the report will be submitted to the Commission.

42. The Managing Authority sent a representative to the EC's conference on the sustainable inclusion of migrants into society and the labour market on 12 April. The MA will be reporting back to the national Equality and Diversity Sub Committee in October on the main findings of the conference.

Sustainable Development (SD)

43. The MA has drafted a SD mainstreaming progress report and plan explaining the progress that has been made in SD mainstreaming from the start of the programme up until end of 2018. It is also working on developing a simple reporting system which, going forward, will help explain the prevalence of SD policies and plans as well as provide: annual `qualitative' information on issues arising in delivering implementation

plans and case studies of any ESF projects that also have an environmental focus while supporting jobs / skills / social inclusion.

44. The MA will aim to present this draft report to the ESIF Sustainable Development Sub Committee Group Chaired by MHCLG before sending this to the EC. At the time of writing, the next meeting of this group is due to be held on 17 October.

Annex A (i): Outputs – Committed Participant data:

Programme Total - All CoR		TOTAL PARTICIPANTS (O1 Participants, O2	ESF-CO01 - Unemployed, including long term unemployed	ESF-CO03 - Inactive	O4 - Participants over 50 years of age	O5 - Participants from ethnic minorities	ESF-CO16 - Participants with disabilities	O6 - Participants without basic skills	ESF-CO14 - Participants who live in a single adult	YEI-O8 - Participants (below 25 years of age) who are	YEI-O3 - Participants (aged 25-29) who are unemploye	YEI-O9 - Unemployed participants (YEI)	YEI-O10 - Long-term unemployed participants (YEI)	YEI-O11 - Inactive participants not in education or training	YEI-O12 - Participants with disabilities	YEI-O13 - Participants who live in a single adult household	O7 - Participants who are offenders or ex-offenders	ESF-CO23 - Number of supported micro, small and medium-
Priority Axis/ LEP Area	Percentage Committe	Percentage Committed	Percentage Committed	Percentage Committed	Percentage Committed	Percentage Committed	Percentage Committed	Percentage Committed	Percentage Committed	Percentage Committed	Percentage Committed	Percentage Committed	Percentage Committed	Percentage Committed	Percentage Committed	Percentage Committed	Percentage Committed	Percentage Committed
1.1 Total	72.47%	69%	77%	59%	76%	104%	76%	76%	94%									
1.2 Total	70.58%	69%	77%	60%		115%	55%	71%	62%									
1.3 Total	70.51%	99%				68%				101%	93%	85%	100%	108%	77%	110%		
1.4 Total	80.24%	92%	98%	95%	96%	136%	98%										162%	
1.5 Total	83.32%	92%	81%	119%	94%	84%	82%											
PA1 Total	74.99%	77%	82%	73%	83%	110%	79%	74%	90%	101%	93%	85%	100%	108%	77%	110%	162%	
2.1 Total	60.67%	51%			57%	59%	42%	49%	78%									
2.2 Total	35.29%	71%																71%
PA2 Total	55.95%	52%			57%	59%	42%	49%	78%									71%
PA3 Total	25.09%																	
Prog Total	66.51%	68%	82%	73%	72%	96%	71%	63%	87%	101%	93%	85%	100%	108%	77%	110%	162%	71%

exceeding value of committed spend

within 10% of committed spend

outside of 10% of not meeting committed spend

Annex A (ii) Results – committed Participant data:

Programme Total - All CoR	R1 - Unemployed participants into employment (including self-		R2 - Inactive participants into employment or job search upon leaving		R3 - Participants gaining basic skills		R5 - Participants (below 25 years of age) in employment,		YEI-CR01 - Unemployed participants who complete the YEI supported		YEI-CR02 - Unemployed participants who receive an offer of employment,		YEI-CR03 - Unemployed participants who are in education/training,		YEI-CR04 - Long-term unemployed participants who complete the		YEI-CR05 - Long -term unemployed participants who receive an offer of		YEI-CR06 - Long -term unemployed participants who are in education/tr		YEI-CR07 - Inactive participants not in education or training who		YEI-CR08 - Inactive participants not in education or training		YEI-CR09 - Inactive participants not in education or training who		ESF-CR02 - Participants in education or training on leaving		R6 - Participants gaining level 2 or below or a unit of a level 2 or		R7 - Participants gaining level 3 or above or a unit of a		R9 - Small and Medium Enterprises successfully completing projects (which	
Priority Axis/ LEP Area	Target	Percentage Commit	Target	Percentage Comm	Target	Percentage Comm	Target	Percentage Comm	Target	Percentage Commi	Target	Percentage Com	Target	Percentage	Target	Percentage Comm	Target	Percentage Comm	Target	Percentage Com	Target	Percentage	Target	Percentage	Target	Percentage Com	Target	Percentage Com	Target	Percentage	Target	Percentage	Target	Percentage Commi
1.1 Total	22%	29%	33%	36%	4%	5%																												
1.2 Total					4%	5%	43%	50%																										
1.3 Total									70%	54%	48%	32%	48%	36%	60%	67%	38%	38%	38%	44%	60%	18%	32%	42%	32%	40%								
1.4 Total	14%	21%	27%	28%																							17%	11%						
1.5 Total	16%	28%	29%	36%																							19%	20%						
PA1 Total	22%	26%	35%	32%	4%	5%	43%	50%	70%	54%	48%	32%	48%	36%	60%	67%	38%	38%	38%	44%	60%	18%	32%	42%	32%	40%	17%	12%						
2.1 Total					11%	11%																							25%	24%	8%	9%		
2.2 Total																																	75%	76%
PA2 Total					11%	11%																							25%	24%	8%	9%	75%	76%
PA3 Total																																		
Prog Total	22%	26%	35%	32%	9%	7%	43%	50%	70%	54%	48%	32%	48%	36%	60%	67%	38%	38%	38%	44%	60%	18%	32%	42%	32%	40%	17%	12%	25%	24%	8%	9%	75%	76%

exceeding target

within 5% of target

outside of 5% of target

Annex B – Sub-Group Performance by Category of Region

Outputs

ESF-CO01 - Unemployed, including long term unemployed	CoR	Target	Committed	Committed to Q1 19	Actual to Q1 19	% achieved of overall target	% achieved to Q1 19
	M	668,560	527,736	301,725	296,626	44.37%	98.3%
	T	152,341	149,166	84,025	129,105	84.75%	153.7%
	L	19,518	11,515	5,775	3,664	18.77%	63.4%
	Total	840,419	688,417	391,525	429,395	51.09%	109.7%

O5 - Participants from ethnic minorities	CoR	Target	Committed	Committed to Q1 19	Actual to Q1 19	% achieved of overall target	% achieved to Q1 19
	M	343,547	322,726	182,692	168,650	49.09%	92.3%
	T	42,485	41,356	22,006	22,103	52.03%	100.4%
	L	869	978	456	326	37.53%	71.5%
	Total	386,901	365,060	205,154	191,079	49.39%	93.1%

ESF-CO03 - Inactive	CoR	Target	Committed	Committed to Q1 19	Actual to Q1 19	% achieved of overall target	% achieved to Q1 19
	M	414,355	299,892	171,344	114,435	27.62%	66.8%
	T	102,537	76,582	40,130	40,283	39.29%	100.4%
	L	18,644	9,264	5,049	3,083	16.54%	61.1%
	Total	535,536	385,738	216,523	157,801	29.47%	72.9%

O6 - Participants without basic skills	CoR	Target	Committed	Committed to Q1 19	Actual to Q1 19	% achieved of overall target	% achieved to Q1 19
	M	245,113	157,815	95,990	90,185	36.79%	94.0%
	T	67,535	50,147	27,952	35,266	52.22%	126.2%
	L	8,246	2,037	724	1,171	14.20%	161.7%
	Total	320,894	209,999	124,666	126,622	39.46%	101.6%

O4 - Participants over 50 years of age	CoR	Target	Committed	Committed to Q1 19	Actual to Q1 19	% achieved of overall target	% achieved to Q1 19
	M	265,392	177,358	98,670	92,752	34.95%	94.0%
	T	74,713	56,950	29,142	35,613	47.67%	122.2%
	L	10,154	5,251	2,746	3,022	29.76%	110.1%
	Total	350,259	239,559	130,558	131,387	37.51%	100.6%

ESF-CO16 - Participants with disabilities	CoR	Target	Committed	Committed to Q1 19	Actual to Q1 19	% achieved of overall target	% achieved to Q1 19
	M	290,379	203,419	118,158	117,451	40.45%	99.4%
	T	80,023	60,601	35,745	51,047	63.79%	142.8%
	L	12,473	6,412	3,365	3,352	26.88%	99.6%
	Total	382,875	270,432	157,268	171,850	44.88%	109.3%

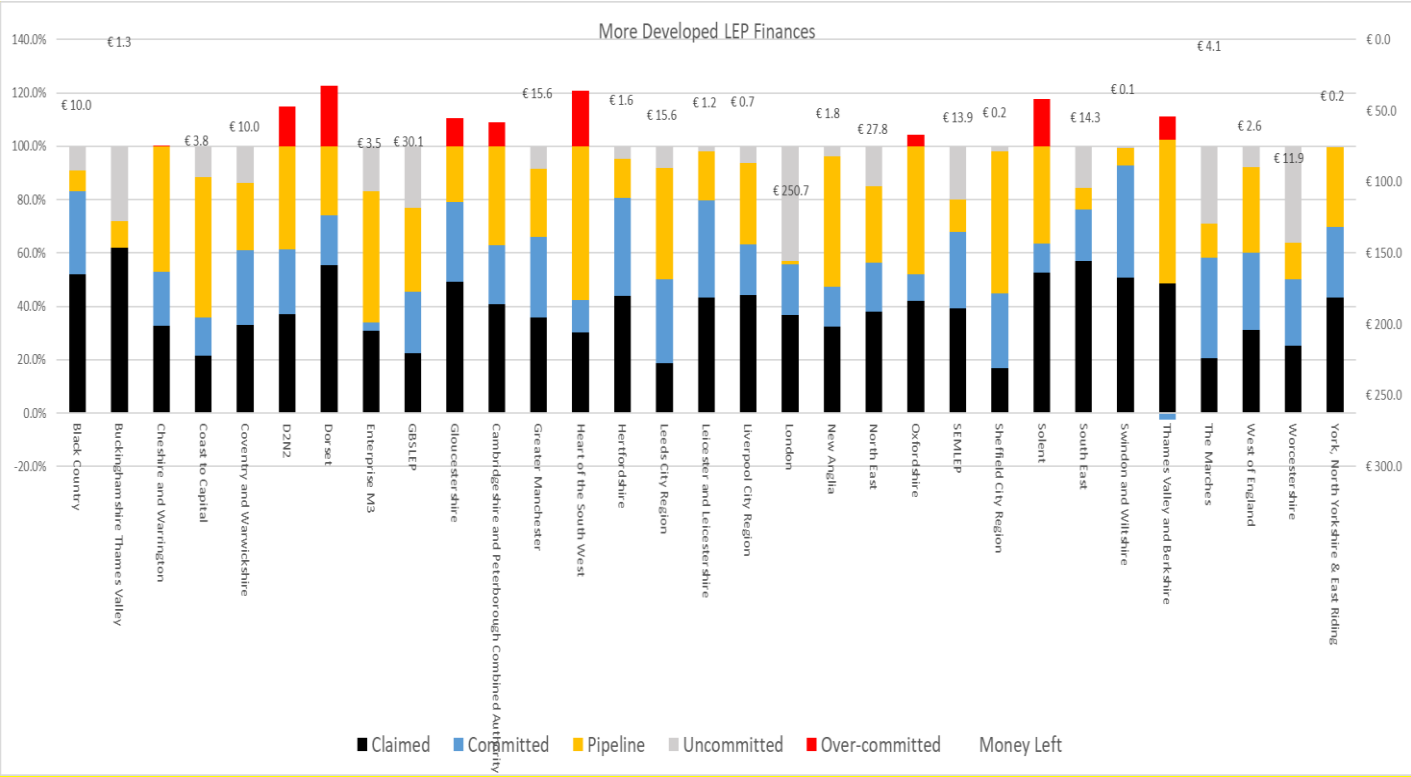
Results

R1 (u/e into employment)	CoR	Target	Committed	Actual
	M	15%	19%	17%
	T	16%	20%	19%
	L	14%	18%	43%
	Total Programme	22%	25%	**18%**

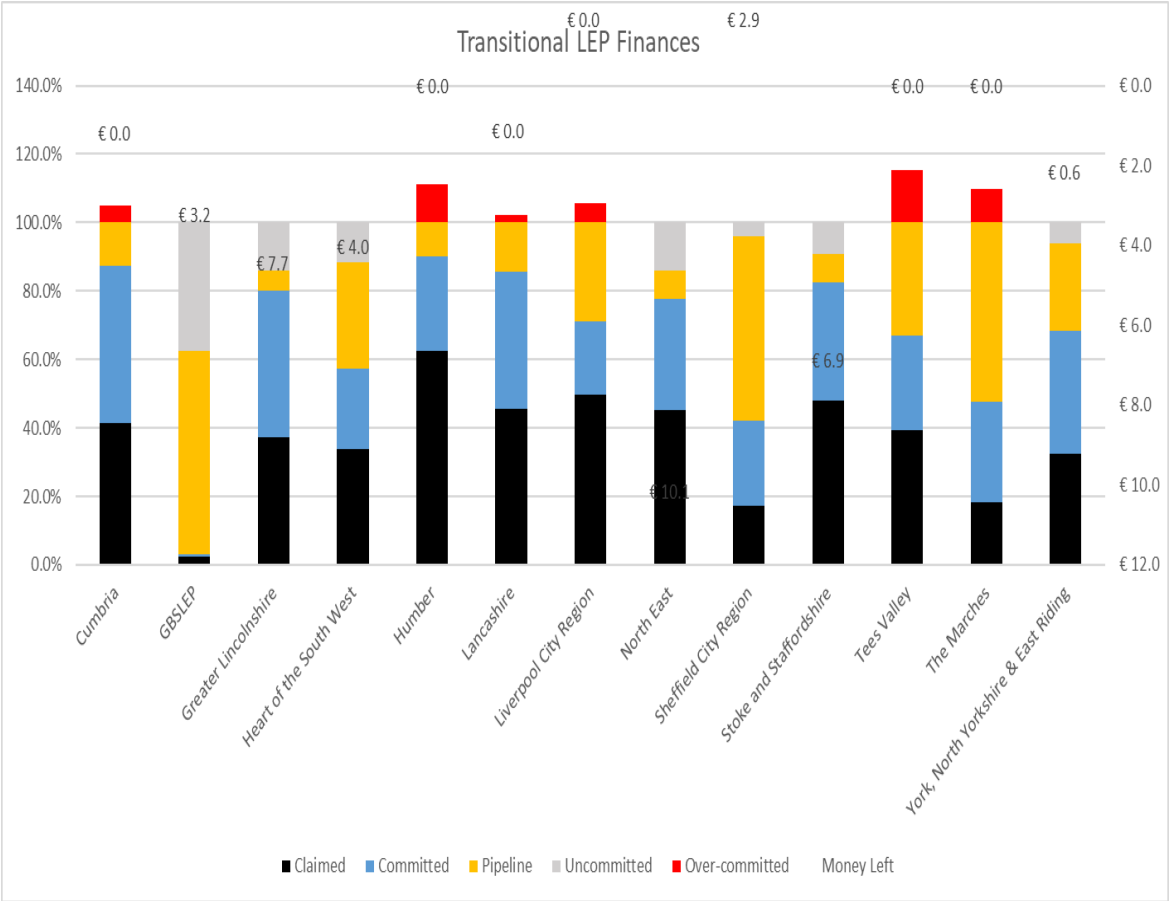
R3 (gaining Basic Skills)	CoR	Target	Committed	Actual
	M	7%	11%	5%
	T	8%	7%	5%
	L	7%	5%	9%
	Total Programme	7%	10%	**5%**

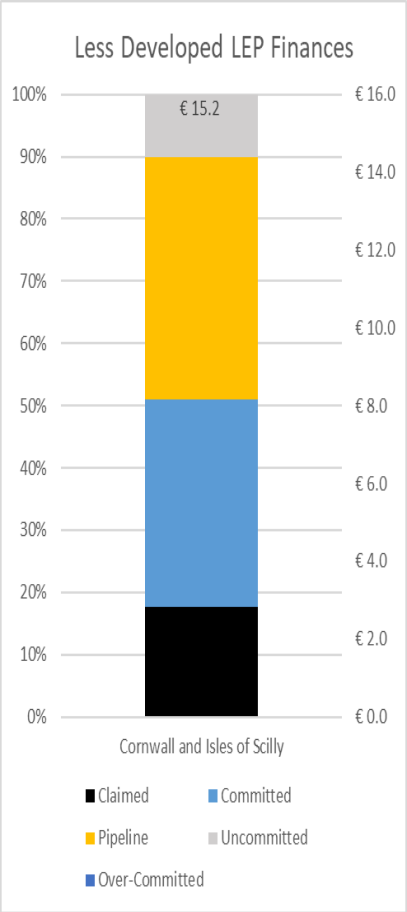
R2 (inactive into employment or jobsearch)	CoR	Target	Committed	Actual
	M	24%	28%	42%
	T	25%	24%	44%
	L	25%	22%	51%
	Total Programme	30%	33%	**42%**

Annex C (i) LEP Spend, Commitment and Pipeline (% of Allocation) in More Developed Region



Annex C (ii) LEP Spend, Commitment and Pipeline (% of Allocation) in Transitional and Less Developed Regions





Annex D - Breakdown of LEP allocation/committed spend by IP:

LEP Breakdown by IP (£m)

LEP	Category of Region	1.1 Access to Employment			1.2 Sustained Integration for Young People			1.3 YEI			1.4 Active Inclusion			1.5 Inclusive Labour Markets			2.1 Life Long Learning			2.2 Improving Education			TOTAL		
		Allocation	Commitment EUR and GBP	Percentage	Allocation	Commitment EUR and GBP	Percentage	Allocation	Commitment EUR and GBP	Percentage	Allocation	Commitment EUR and GBP	Percentage	Allocation	Commitment EUR and GBP	Percentage	Allocation	Commitment EUR and GBP	Percentage	Allocation	Commitment EUR and GBP	Percentage	Allocation	Commitment	Percentage
Black Country	M	€ 6.82 £ 5.93	€ 5.14 £ 4.47	75%	€ 1.50 £ 1.30	€ 1.28 £ 1.11	85%	€ 48.00 £ 40.02	€ 39.58 £ 34.42	86%	€ 19.52 £ 16.99	€ 16.81 £ 14.63	86%				€ 33.16 £ 28.87	€ 26.49 £ 23.04	80%	€ 1.88 £ 1.63	€ 1.02 £ 0.89	54%	€ 108.91 £ 94.75	€ 90.30	83%
Buckinghamshire Thames Valley	M										€ 0.85 £ 0.74	€ 0.69 £ 0.60	82%				€ 0.80 £ 0.69	€ - £ -	0%	€ 2.32 £ 2.02	€ 1.57 £ 1.37	68%	€ 3.96 £ 3.45	€ 2.26	57%
Cheshire and Warrington	M	€ 17.81 £ 15.50	€ 15.84 £ 13.78	89%	€ 8.06 £ 7.02	€ 4.30 £ 3.74	53%				€ 10.81 £ 9.41	€ 6.32 £ 5.50	58%				€ 24.69 £ 21.48	€ 5.11 £ 4.44	21%	€ 2.39 £ 2.08	€ 2.14 £ 1.87	90%	€ 63.77 £ 55.48	€ 33.71	53%
Coast to Capital	M	€ 6.82 £ 5.78	€ 1.71 £ 1.49	26%	€ 1.68 £ 1.47	€ 1.36 £ 1.18	81%				€ 6.91 £ 6.01	€ 3.07 £ 2.67	44%				€ 14.37 £ 12.50	€ 4.33 £ 3.77	30%	€ 3.01 £ 2.62	€ 1.03 £ 0.90	34%	€ 32.60 £ 28.36	€ 11.50	35%
Cornwall and Isles of Scilly	L	€ 30.15 £ 26.23	€ 14.84 £ 12.91	49%	€ 12.60 £ 10.96	€ 8.76 £ 7.62	70%				€ 49.00 £ 42.63	€ 21.25 £ 18.49	43%	€ 7.56 £ 6.57	€ 6.84 £ 5.95	91%	€ 27.91 £ 24.29	€ 11.58 £ 10.08	41%	€ 24.40 £ 21.23	€ 12.73 £ 11.08	52%	€ 151.62 £ 131.91	€ 76.01	50%
Coventry and Warwickshire	M	€ 14.84 £ 12.91	€ 7.12 £ 6.20	48%	€ 4.93 £ 4.29	€ 3.64 £ 3.17	74%	€ 9.60 £ 8.53	€ 7.15 £ 6.22	73%	€ 18.97 £ 16.50	€ 8.43 £ 7.34	44%				€ 19.91 £ 17.32	€ 15.66 £ 13.80	80%	€ 4.17 £ 3.63	€ 1.87 £ 1.63	45%	€ 72.63 £ 63.19	€ 44.08	61%
Cumbria	T	€ 10.88 £ 9.46	€ 12.17 £ 10.59	112%	€ 2.33 £ 2.03	€ 1.38 £ 1.20	59%				€ 3.83 £ 3.33	€ 2.87 £ 2.50	75%				€ 18.66 £ 16.23	€ 18.88 £ 16.42	101%	€ 2.63 £ 2.29	€ - £ -	0%	€ 38.32 £ 33.34	€ 35.30	92%
D2N2	M	€ 30.00 £ 26.10	€ 14.18 £ 12.33	47%	€ 11.39 £ 9.91	€ 9.82 £ 8.54	86%	€ 9.60 £ 8.35	€ 20.77 £ 18.07	216%	€ 24.05 £ 20.92	€ 10.73 £ 9.34	45%				€ 39.70 £ 34.54	€ 34.03 £ 29.60	86%	€ 8.74 £ 7.60	€ 4.22 £ 3.67	48%	€ 123.47 £ 107.42	€ 93.74	76%
Dorset	M	€ 6.38 £ 5.55	€ 6.23 £ 5.42	98%							€ 6.23 £ 5.42	€ 6.69 £ 5.82	107%				€ 8.57 £ 7.46	€ 6.45 £ 5.61	75%				€ 21.18 £ 18.43	€ 19.37	91%
Enterprise M3	M	€ 5.20 £ 4.53	€ 2.23 £ 1.94	43%	€ 1.32 £ 1.15	€ 1.19 £ 1.03	90%				€ 3.81 £ 3.32	€ 1.15 £ 1.00	30%				€ 8.37 £ 7.28	€ 2.23 £ 1.94	27%	€ 1.75 £ 1.53	€ - £ -	0%	€ 20.47 £ 17.81	€ 6.81	33%
Gloucestershire	M	€ 3.60 £ 3.13	€ 2.14 £ 1.86	59%							€ 3.18 £ 2.77	€ 1.88 £ 1.64	59%				€ 9.21 £ 8.02	€ 11.17 £ 9.72	121%	€ 2.54 £ 2.21	€ 1.48 £ 1.28	58%	€ 18.54 £ 16.13	€ 16.66	90%
GBS LEP	M	€ 15.14 £ 13.17	€ 5.41 £ 4.71	36%	€ 9.82 £ 8.54	€ 4.48 £ 3.90	46%	€ 45.60 £ 39.67	€ 32.17 £ 27.99	71%	€ 16.83 £ 14.47	€ 10.33 £ 8.99	62%				€ 37.43 £ 32.57	€ 2.18 £ 1.90	6%	€ 5.25 £ 4.57	€ 3.17 £ 2.75	60%	€ 129.87 £ 112.99	€ 57.75	44%
GBS LEP	T																€ 8.27 £ 7.20	€ - £ -	0%	€ 0.32 £ 0.28	€ 0.25 £ 0.22	80%	€ 8.59 £ 7.48	€ 0.25	3%
Greater Cambridge/Peterborough	M	€ 12.02 £ 10.46	€ - £ -	0%	€ 3.52 £ 3.07	€ - £ -	0%				€ 4.12 £ 3.59	€ - £ -	0%	€ 1.36 £ 1.18	€ - £ -	0%	€ 12.85 £ 11.18	€ £	0%	€ 2.69 £ 2.34	€ - £ -	0%	€ 36.57 £ 31.82	€ -	0%
Greater Lincolnshire	T	€ 12.79 £ 11.12	€ 11.23 £ 9.77	88%	€ 1.94 £ 1.69	€ 2.74 £ 2.38	141%				€ 10.98 £ 9.53	€ 4.14 £ 3.60	38%				€ 25.28 £ 21.99	€ 20.87 £ 18.16	83%	€ 3.70 £ 3.22	€ 4.60 £ 4.00	124%	€ 54.66 £ 47.56	€ 43.58	80%
Greater Manchester	M	€ 34.51 £ 30.02	€ 41.75 £ 36.32	121%	€ 30.99 £ 26.96	€ 19.77 £ 17.20	64%				€ 39.44 £ 34.31	€ 38.25 £ 33.28	97%				€ 59.66 £ 52.08	€ 23.39 £ 20.35	39%	€ 22.34 £ 19.44	€ - £ -	0%	€ 187.13 £ 162.80	€ 123.15	66%
Heart of the South West	M				€ 1.72 £ 1.50	€ 0.45 £ 0.39	26%				€ 3.92 £ 3.41	€ 3.11 £ 2.71	79%				€ 9.79 £ 8.51	€ 6.16 £ 5.36	63%	€ 0.88 £ 0.76	€ 0.57 £ 0.50	65%	€ 16.31 £ 14.19	€ 10.29	63%
Heart of the South West	T	€ 0.80 £ 0.70	€ 0.64 £ 0.56	80%	€ 5.46 £ 4.75	€ 1.43 £ 1.24	26%				€ 7.82 £ 6.80	€ 6.98 £ 6.07	89%				€ 18.15 £ 15.79	€ 10.03 £ 8.73	55%	€ 2.41 £ 2.09	€ 0.67 £ 0.58	28%	€ 34.63 £ 30.13	€ 19.75	57%
Hertfordshire	M	€ 8.13 £ 7.07	€ 7.23 £ 6.29	89%	€ 2.07 £ 1.80	€ 0.64 £ 0.56	31%				€ 5.66 £ 4.92	€ 3.84 £ 3.34	68%				€ 14.23 £ 12.38	€ 13.92 £ 12.11	98%	€ 3.56 £ 3.10	€ 1.53 £ 1.33	43%	€ 33.65 £ 29.28	€ 27.16	81%
Humber	T	€ 9.45 £ 8.22	€ 6.88 £ 5.98	73%	€ 1.80 £ 1.39	€ 2.18 £ 1.88	135%	€ 9.00 £ 7.83	€ 13.82 £ 12.02	154%	€ 5.00 £ 4.35	€ 5.49 £ 4.78	110%	€ 4.93 £ 4.29	€ 4.42 £ 3.84	90%	€ 15.17 £ 13.20	€ 15.47 £ 13.46	102%	€ 2.43 £ 2.12	€ - £ -	0%	€ 47.57 £ 41.39	€ 48.23	101%
Lancashire	T	€ 21.83 £ 18.99	€ 23.78 £ 20.69	109%	€ 9.83 £ 8.38	€ 9.96 £ 8.69	104%				€ 22.92 £ 19.94	€ 17.07 £ 14.85	74%				€ 48.00 £ 41.76	€ 39.96 £ 34.78	83%	€ 6.62 £ 5.76	€ 4.96 £ 4.32	75%	€ 109.01 £ 94.83	€ 95.77	88%
Leeds City Region	M	€ 55.15 £ 47.98	€ 21.41 £ 18.62	39%	€ 25.59 £ 22.27	€ 17.71 £ 15.41	69%				€ 16.82 £ 16.20	€ 9.30 £ 8.09	50%	€ 7.56 £ 6.58	€ 6.67 £ 5.80	88%	€ 73.23 £ 63.71	€ 21.95 £ 19.10	30%	€ 10.71 £ 9.32	€ 16.05 £ 15.70	169%	€ 190.86 £ 166.05	€ 95.09	50%
Leicester and Leicestershire	M	€ 15.16 £ 13.19	€ 19.14 £ 16.65	126%	€ 5.26 £ 4.58	€ 4.30 £ 3.74	82%	€ 9.60 £ 8.53	€ 0.69 £ 0.60	7%	€ 10.53 £ 9.16	€ 8.62 £ 7.50	82%				€ 20.91 £ 18.19	€ 16.26 £ 14.17	78%	€ 4.38 £ 3.81	€ 2.27 £ 1.97	52%	€ 66.05 £ 57.46	€ 51.30	78%
Liverpool City Region	M	€ 2.25 £ 1.96	€ 0.99 £ 0.87	44%	€ 1.13 £ 0.98	€ 0.33 £ 0.29	30%	€ 4.38 £ 3.81	€ 4.15 £ 3.61	95%	€ 1.69 £ 1.47	€ 0.90 £ 0.78	53%				€ 1.94 £ 1.69	€ 1.04 £ 0.91	54%	€ 0.41 £ 0.35	€ 0.02 £ 0.01	4%	€ 11.79 £ 10.26	€ 7.43	63%
Liverpool City Region	T	€ 19.60 £ 17.05	€ 14.52 £ 12.63	74%	€ 5.01 £ 4.35	€ 3.23 £ 2.81	64%	€ 48.92 £ 42.47	€ 46.90 £ 40.80	96%	€ 13.73 £ 11.94	€ 7.60 £ 6.61	55%				€ 16.92 £ 14.72	€ 8.58 £ 7.46	51%	€ 2.38 £ 2.07	€ 0.49 £ 0.43	21%	€ 106.46 £ 92.62	€ 81.31	76%
London	M	€ 138.08 £120.11	€ 79.27 £ 68.96	57%	€ 110.51 £ 96.14	€ 76.09 £ 66.20	69%	€ 85.58 £ 74.46	€ - £ -	0%	€ 170.56 £148.38	€ 132.02 £ 114.86	77%				€ 55.67 £ 48.44	€ 20.03 £ 17.42	36%	€ 23.77 £ 20.68	€ 16.71 £ 14.54	70%	€ 584.14 £ 508.20	€ 324.11	55%
New Anglia	M	€ 4.19 £ 3.64	€ 0.41 £ 0.35	10%	€ 5.00 £ 4.35	€ 3.22 £ 2.80	64%				€ 11.95 £ 10.39	€ 6.21 £ 5.40	52%				€ 20.37 £ 17.72	€ 10.67 £ 9.28	52%	€ 4.27 £ 3.71	€ 0.95 £ 0.82	22%	€ 45.77 £ 39.82	€ 21.45	47%
North East	M	€ 39.00 £ 33.93	€ 30.82 £ 26.81	79%	€ 9.92 £ 8.63	€ 5.17 £ 4.49	52%				€ 22.23 £ 19.34	€ 13.95 £ 12.13	63%	€ 6.67 £ 5.80	€ 5.98 £ 5.20	90%	€ 88.95 £ 77.39	€ 39.33 £ 34.22	44%	€ 18.64 £ 16.22	€ 8.69 £ 7.56	47%	€ 185.41 £ 161.31	€ 103.93	56%
North East	T	€ 8.34 £ 7.26	€ 7.08 £ 6.16	85%	€ 7.80 £ 6.61	€ 0.70 £ 0.61	9%	€ 18.00 £ 15.66	€ 25.03 £ 21.78	139%	€ 10.32 £ 8.98	€ 3.03 £ 2.63	29%	€ 2.33 £ 2.02	€ 2.08 £ 1.81	90%	€ 22.26 £ 19.37	€ 15.86 £ 13.80	71%	€ 4.03 £ 3.51	€ 2.69 £ 2.34	67%	€ 72.89 £ 63.41	€ 56.49	78%
Oxfordshire	M	€ 2.06 £ 1.80	€ 2.05 £ 1.78	99%	€ 0.97 £ 0.84	€ - £ -	0%				€ 2.23 £ 1.94	€ 2.39 £ 2.08	107%				€ 3.34 £ 2.91	€ 0.44 £ 0.38	13%	€ 0.78 £ 0.68	€ 0.42 £ 0.36	54%	€ 9.39 £ 8.17	€ 5.30	56%
Sheffield City Region	M	€ 2.67 £ 2.32	€ 2.40 £ 2.08	90%	€ 0.68 £ 0.59	€ - £ -	0%				€ 2.92 £ 2.54	€ 0.33 £ 0.29	11%				€ 4.92 £ 4.28	€ 2.74 £ 2.39	56%	€ 1.03 £ 0.90	€ - £ -	0%	€ 12.22 £ 10.63	€ 5.47	45%
Sheffield City Region	T	€ 17.06 £ 14.84	€ 14.91 £ 12.97	87%	€ 2.65 £ 2.31	€ - £ -	0%				€ 19.97 £ 17.37	€ 1.97 £ 1.71	10%				€ 28.95 £ 25.19	€ 13.55 £ 11.79	47%	€ 4.33 £ 3.77	€ - £ -	0%	€ 72.96 £ 63.48	€ 30.43	42%
Solent	M	€ 5.55 £ 4.83	€ 1.33 £ 1.16	24%	€ 2.65 £ 2.30	€ 3.89 £ 3.39	147%				€ 5.93 £ 5.16	€ 3.75 £ 3.26	63%				€ 5.65 £ 4.92	€ 8.07 £ 7.02	143%	€ 1.18 £ 1.03	€ - £ -	0%	€ 20.96 £ 18.24	€ 17.04	81%
South East	M	€ 18.92 £ 16.46	€ 14.37 £ 12.50	76%	€ 23.58 £ 20.50	€ 19.61 £ 17.06	83%	€ 3.60 £ 3.13	€ 2.89 £ 2.51	80%	€ 11.49 £ 10.00	€ 10.10 £ 8.79	88%	€ 5.98 £ 5.21	€ 5.06 £ 4.40	85%	€ 20.47 £ 17.81	€ 18.03 £ 15.69	88%	€ 7.79 £ 6.78	€ - £ -	0%	€ 91.81 £ 79.88	€ 70.06	76%
SEMLEP	M	€ 20.27 £ 17.64	€ 9.93 £ 8.64	49%	€ 5.30 £ 4.61	€ 4.32 £ 3.76	81%				€ 10.77 £ 9.37	€ 8.32 £ 7.24	77%	€ 5.15 £ 4.48	€ 2.34 £ 2.04	45%	€ 22.66 £ 19.89	€ 20.58 £ 17.91	90%	€ 5.03 £ 4.37	€ 0.96 £ 0.85	19%	€ 69.38 £ 60.36	€ 46.48	67%
Stoke and Staffordshire	T	€ 23.21 £ 20.19	€ 17.79 £ 15.48	77%	€ 11.46 £ 9.97	€ 14.05 £ 12.22	123%				€ 13.91 £ 12.10	€ 10.92 £ 9.50	78%				€ 22.66 £ 19.71	€ 18.74 £ 16.30	83%	€ 4.04 £ 3.51	€ - £ -	0%	€ 75.28 £ 65.49	€ 61.50	82%
Swindon and Wiltshire	M	€ 5.57 £ 4.85	€ 4.54 £ 3.95	81%	€ 3.24 £ 2.82	€ 3.30 £ 2.87	102%				€ 2.82 £ 2.45	€ 2.53 £ 2.20	90%				€ 10.07 £ 8.76	€ 9.74 £ 8.47	97%				€ 21.79 £ 18.88	€ 20.11	93%
TEES Valley	T	€ 22.45 £ 19.54	€ 16.98 £ 14.76	76%	€ 3.16 £ 2.75	€ 3.17 £ 2.76	100%	€ 22.93 £ 19.95	€ 35.63 £ 30.99	155%	€ 13.40 £ 11.66	€ 10.14 £ 8.82	76%				€ 25.24 £ 21.96	€ 14.02 £ 12.20	56%	€ 3.56 £ 3.09	€ £	0%	€ 90.74 £ 78.95	€ 79.94	88%
Thames Valley and Berkshire	M	€ 1.41 £ 1.23	€ - £ -	0%	€ 3.38 £ 2.94	€ 2.76 £ 2.40	82%				€ 3.52 £ 3.06	€ 1.98 £ 1.71	56%				€ 3.45 £ 3.00	€ 2.03 £ 1.77	59%	€ 2.11 £ 1.84	€ 0.86 £ 0.75	41%	€ 13.88 £ 12.07	€ 7.61	55%
The Marches	M	€ 4.33 £ 3.76	€ - £ -	0%	€ 1.41 £ 1.23	€ 1.64 £ 1.42	116%				€ 2.82 £ 2.46	€ 1.90 £ 1.65	67%				€ 4.53 £ 3.94	€ 4.67 £ 4.06	103%	€ 1.04 £ 0.90	€ - £ -	0%	€ 14.12 £ 12.29	€ 8.20	58%
The Marches	T	€ 12.18 £ 10.59	€ - £ -	0%	€ 2.56 £ 2.23	€ 2.67 £ 2.32	104%				€ 6.97 £ 6.06	€ 4.59 £ 4.00	66%				€ 11.14 £ 9.69	€ 11.20 £ 9.75	101%	€ 1.76 £ 1.53	€ 1.36 £ 1.18	77%	€ 34.61 £ 30.11	€ 19.82	57%
West of England	M	€ 10.40 £ 9.05	€ 7.17 £ 6.24	69%	€ 5.65 £ 4.91	€ 2.93 £ 2.55	52%				€ 5.74 £ 4.99	€ 3.45 £ 3.00	60%				€ 2.93 £ 2.55	€ 2.34 £ 2.04	80%	€ 8.50 £ 7.40	€ 4.04 £ 3.52	48%	€ 33.22 £ 28.90	€ 19.94	60%
Worcestershire	M	€ 7.92 £ 6.89	€ 3.11 £ 2.71	39%	€ 2.01 £ 1.75	€ 2.53 £ 2.20	126%				€ 5.58 £ 4.85	€ 2.87 £ 2.49	51%				€ 14.43 £ 12.56	€ 7.81 £ 6.79	54%	€ 3.02 £ 2.63	€ - £ -	0%	€ 32.57 £ 28.68	€ 16.32	49%
York, North Yorkshire & East Riding	M	€ 4.42 £ 3.85	€ 3.52 £ 3.06	80%	€ 1.13 £ 0.98	€ 1.46 £ 1.27	130%				€ 5.39 £ 4.69	€ 5.82 £ 5.07	108%	€ 4.01 £ 3.49	€ 3.39 £ 2.95	84%	€ 14.33 £ 12.47	€ 8.64 £ 7.51	60%	€ 3.81 £ 3.32	€ - £ -	0%	€ 33.10 £ 28.79	€ 22.83	69%
York, North Yorkshire & East Riding	T	€ 0.81 £ 0.70	€ 0.32 £ 0.28	40%	€ 0.29 £ 0.25	€ 0.39 £ 0.34	131%				€ 1.95 £ 1.69	€ 1.95 £ 1.70	100%	€ 1.40 £ 1.22	€ 1.43 £ 1.25	102%	€ 5.43 £ 4.72	€ 2.97 £ 2.58	55%	€ 0.97 £ 0.84	€ - £ -	0%	€ 10.85 £ 9.44	€ 7.06	65%
		€ 697.95 £596.52	€ 450.58 £392.01	65%	€ 350.63 £305.10	€ 248.83 £ 214.74	70%	€ 313.11 £272.40	€ 228.75 £ 199.01	73%	€ 638.65 £555.62	€ 423.74 £ 368.65	66%	€ 46.95 £40.84	€ 36.22 £ 33.25	81%	€ 955.03 £830.92	€ 547.44 £ 476.27	57%	€ 221.60 £ 192.79	€ 99.34 £ 86.43	45%	€ 3,214.02 £2,796.13	€ 2,034.90	63%

European Agricultural Fund for Rural Development (EAFRD) Progress Report

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 August, under the RDPE Growth Programme £103m of grant had been awarded to 595 projects, including £9m spent by 86 completed projects from the offers launched in 2015. Of this £94m, £41m has been paid out, creating 718 FTE jobs, and contracting 3,734. The scheme is on track to meet its job creation target of 4,075 by December 2020.

The RPA has 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. Invitations to submit a Full Application have been issued to 979 applicants for funding totalling £190m. From these, 722 projects have submitted applications for funding of £135m, with 509 projects so far securing grant offers worth £94m.

In addition, 22 contracts for funding totalling just over £79.5m have been awarded under the Rural Broadband Infrastructure offer.

If all Full Applications invited were to be received, the £165m budget offered would be spent. However, we know that not all Full Applications will be received, and the RPA's latest estimate is that the scheme could underspend by about £35m.

To utilise the underspend Defra Ministers have asked officials to develop plans for establishing a National Reserve Fund and running a round of national-level Growth Programme calls in late 2019 and 2020. Further details are given in a paper to be presented to the Board under item 3.

EAFRD GROWTH PROGRAMME UPDATE

1. As at 1 August, £103m of grant funding has been awarded to 595 projects. Of this, £41m has been paid, creating 718 FTE jobs. Activity under the offers opened in 2017 is summarised at Annex 1, and overall scheme progress is at Annex 2.

2. As at 1 August, £103m of grant funding has been awarded to 595 projects. Of this, £41m has been paid, creating 718 FTE jobs. Activity under the offers opened in 2017 is summarised at Annex 1, and overall scheme progress is at Annex 2.

2015 Offers

3. The RPA is continuing to support projects which secured funding under the 2015 Growth Programme offers. In all, 86 projects have now completed all activity, confirming the creation of 146 FTE jobs so far from an EAFRD investment of £9m.

2017 Offers

4. Overall, the RPA received 1,864 Expressions of Interest (EOI), requesting funding of £341m, under the 2017 food processing, business development and tourism infrastructure offers which closed at the end of May 2018. The RPA has 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 979 applicants for funding totalling £190m. Applicants are being encouraged to submit their Full Application as soon as possible and ideally by the end of September. So far, 722 projects have submitted Full Applications for funding totalling £135m, with 509 projects so far securing grant offers worth £94m.

5. A range of workshops have been held across the country to help applicants understand what is required in a Full Application. A YouTube video is also available which gives an overview of what is required in a Full Application for those that could not attend a workshop.

Rural Broadband Infrastructure Fund

6. The budget for the Rural Broadband Infrastructure Fund has recently been increased from £75 to £79.5m. The RPA has so far issued 22 contracts to utilise this revised budget. The infrastructure funded is forecast to ‘pass’ 18,409 business premises and 67,524 other premises in the most remote parts of rural England, to benefit a population of 174,434.

Next Steps

7. If all Full Applications that have been invited were to be received, the £165m budget offered in the 2017 calls would be fully spent. However, we know that not all of the Full Applications will be received, as some businesses have already indicated that they do not intend to apply, while others have failed to respond to enquiries about their intentions. In light of past experience of attrition rates, and recent contact with businesses invited to submit Full Applications, the RPA's latest estimate is that the scheme could underspend about £35m.

8. To utilise the underspend Defra and the Rural Payments Agency propose to establish a National Reserve Fund and run a round of national-level Growth Programme calls. Further details are set out in a paper to be presented to the board under item 3.

Tony Williamson

5 September 2019

ANNEX 1

EAFRD GROWTH PROGRAMME UPDATE

2017 offers:

As at 1 May	RDPE Growth Programme	Food Processing	Business Development	Tourism Infrastructure
Number EOIs Received	1864	294	991	579
Value of Grant Sought (£)	341	89	126	126
Number invited to Full Application	1099	187	621	291
Full Applications received	689	139	417	133
Value of Grant Sought (£m)	128	49	50	29
Breakdown of Full Applications received by status				
Number withdrawn/rejected	111	13	63	35
Number in appraisal/approved	96	6	63	27
Number Contracted	378	96	221	61
Value of contract (£m)	80	39	27	14
Value of grant paid to date (£m)	15	9	5	1
Number Projects closed	73	20	49	4

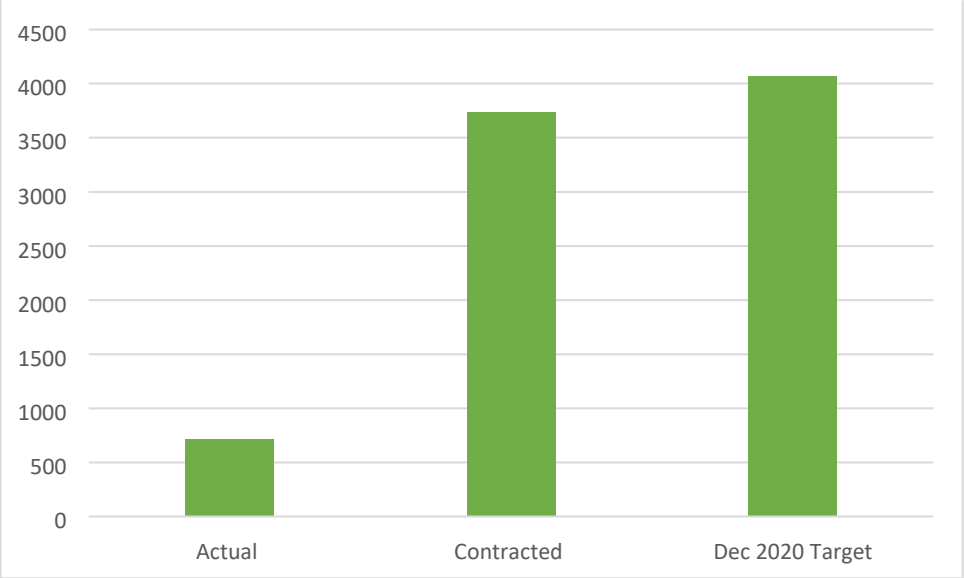
Rural broadband infrastructure offer:

As at 1 May	Rural Broadband
Total Budget	79.5
Full Applications received	23
Value of Grant Sought (£m)	86
Number withdrawn/rejected	1
Number Contracted	22
Value of contract (£m)	79.5
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	3,734	1,821	1,205	708
FTE Jobs created	718	307	299	112

Growth Programme jobs created target, contracted and actual figures 1st May 2019.



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

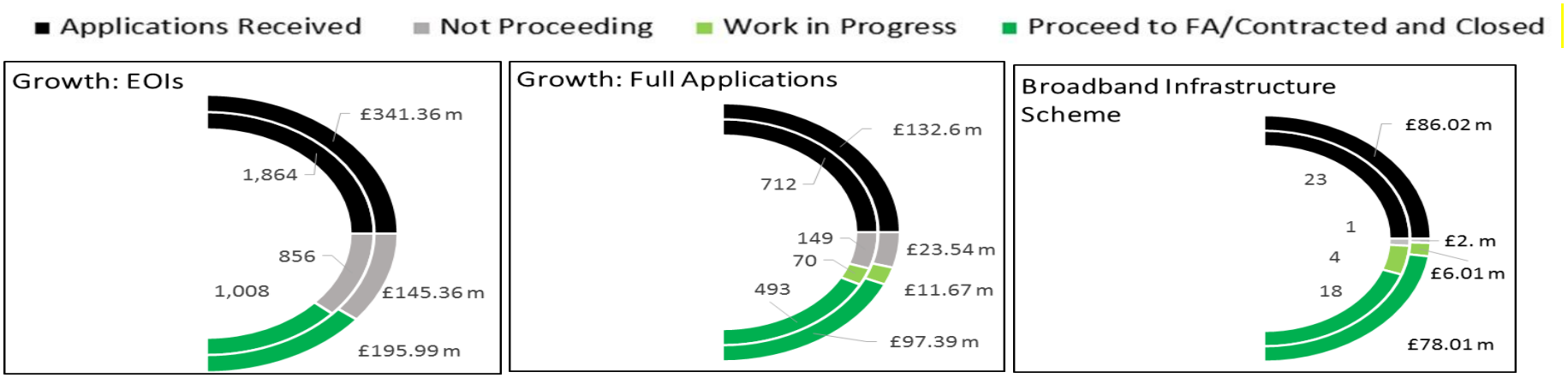


Fig. 1. Number of **2017-2018 Growth EOIs** and outline applications submitted with their associated committed budget spend in £m.	Fig. 2. Number of full **2017-2018 Growth** applications with their associated committed budget spend in £m.	Fig. 3. Number of full **Broadband Infrastructure Scheme** applications with their associated committed budget spend in £m.

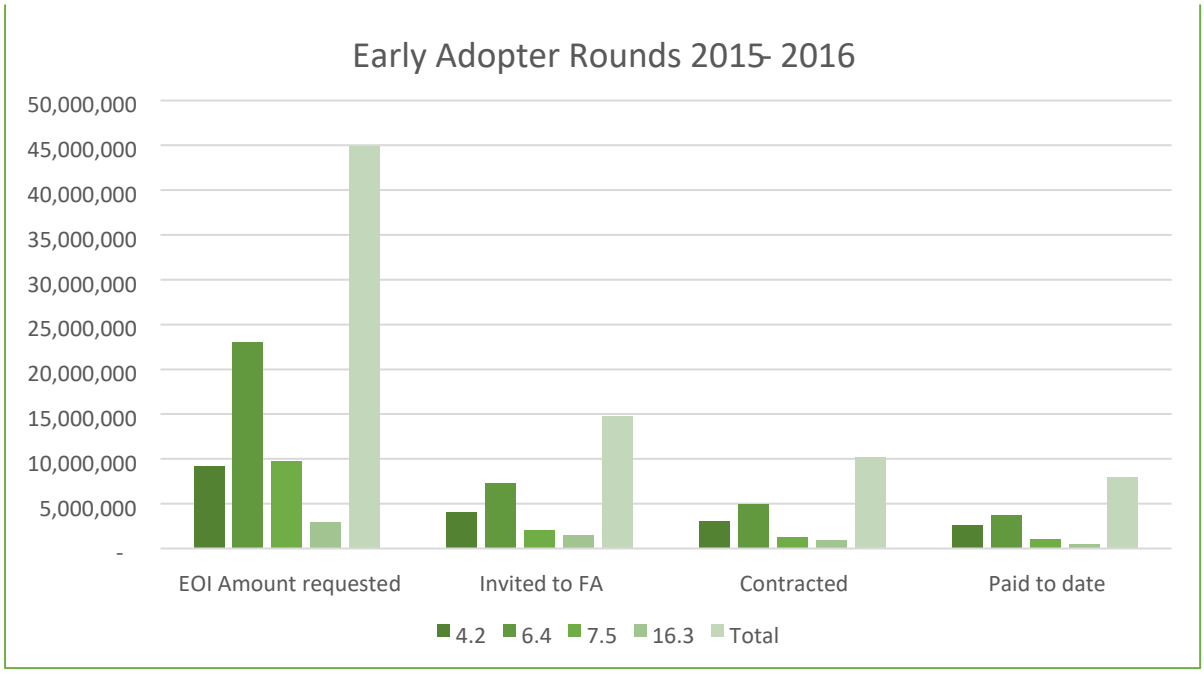
Number of Contracts and associated committed budget across EAFRD Growth Programme regions as of 30th June 2019.

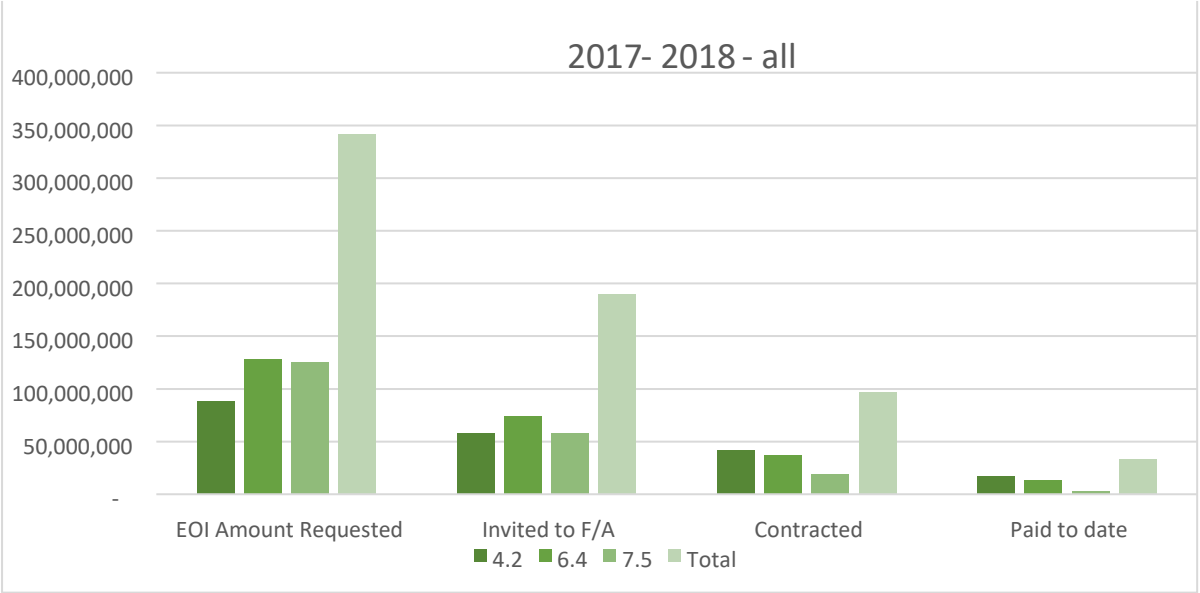
	Processing and Marketing of Agricultural Products		SME Support		Tourism		Total Number of applications	Total RDPE grant award (£m)
	Number of applications	RDPE grant award (£m)	Number of applications	RDPE grant award (£m)	Number of applications	RDPE grant award (£m)		
East Midlands	18	5.50	31	3.26	20	2.37	69	11.13
East of England	19	6.90	37	5.10	8	1.87	64	13.88
North East	1	0.04	27	2.49	21	2.49	49	5.02
North West	14	3.25	24	2.51	23	3.43	61	9.19
South East	23	7.92	20	2.24	27	4.70	70	14.87
South West	29	11.55	37	3.70	35	5.18	101	20.43
West Midlands	22	3.78	36	4.07	57	6.60	115	14.45
Yorkshire and The Humber	17	4.90	6	0.56	26	6.37	49	11.83
Grand Total	**143**	**43.85**	**218**	**23.93**	**217**	**33.02**	**578**	**100.80**

Fig. **4**. Number of contracts and associated committed budget across **Growth Programme** regions as of 30th June 2019**. To note:** Total RDPE grant award is different from Fig 2. total due to projects not always claiming their full amount of grant as set out in the contract.

ANNEX 2

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

European Maritime & Fisheries Fund (EMFF) Progress Report

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 1,448 core projects approved with an EMFF grant value of over £41m.

1. There continues to be good take-up of the EMFF in England, with 1,448 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 £116m with EMFF grant of over £41m and National match of over £9m.

2. There are also 316 pipeline projects which are with MMO and progressing through the various stages of the process with an EMFF grant value of £4.4m. There has been almost £20m EMFF paid out to applicants in the core scheme as of 30 June 2019.

3. The popular areas for funding remain:

   - Health and safety – equipment and on-board vessel investments (409 projects attracting £2.6m EMFF);
   - Limiting the impact of fishing on the marine environment – more selective fishing gear and practices (305 projects, attracting £3.3m EMFF);
   - Processing and marketing – of fisheries and aquaculture products (86 projects, attracting £4.9m EMFF);
   - Adding value and quality – to caught and unwanted fish products (126 projects, attracting £930k EMFF);
   - Infrastructure investments – in ports, harbours, landing sites and auction halls (103 projects, £11.6m EMFF);
   - Investments in aquaculture – new units, diversification of production and species, modernisation of existing units (34 projects, £1.9m EMFF);
   - Promotion of human capital – job creation, improving social dialogue, training (19 projects, £1.9m EMFF);
   - Protection/restoration of marine biodiversity and ecosystems – collection of waste, Natura 2000 sites, increasing environmental awareness (61 projects, £6.3m 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. The FLAG budget has now been virtually committed to projects and spend is now being realised across the board.

Our current 'top challenge(s)' and how we are addressing them

5. The primary focus of the Grants Team is managing the outstanding 316 pipeline applications through the assessment process to approval so that the remaining funds can be committed against these projects. Alongside this we continually review live projects to ensure progress is in line with claim schedules and append is forthcoming. For example, projects that were approved in 2016 but are yet to claim any funding have been contacted to discuss options which can range from agreeing a new schedule with the applicant to withdrawing the project completely if it not going ahead.

6. The Grants Team continue to work with DEFRA, UKMA and IT supplier to develop the guidance, system and processes for administering the Fisheries Block Exemption Regulation and are looking at options for managing this work alongside EMFF.

7. Uncertainties surrounding timeframes for Brexit continue to present issues for the team. The processes and systems to adopt in each eventuality, including a no-deal scenario, have now been developed.

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