



European Union

European Structural
and Investment Funds

GPB 20191218 Item 2
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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ESI Funds Growth Programme Board

ERDF Programme Delivery

Purpose:

To advise the board on progress with European Regional Development Fund (ERDF) Programme delivery to 30 September 2019.

Recommendation(s):

That the Growth Programme Board note the current position.

Summary:**Overall Progress on Contracting**

The contracting of projects is a priority to ensure that the total value of contracted projects is enough to meet the 2023 targets.

As at 30 September, 772 projects (including 10 financial instruments) with ERDF of £2,007m have been contracted (@ 0.9033 exchange rate). This represents 61% of the programme budget. Compared to the previous quarter, this is an increase of 35 contracted projects for £71m ERDF.

At the end of September there are 330 applications (for £696m ERDF) currently being assessed including one financial instrument (£15m ERDF). This pipeline is a further 21% of the programme budget.

Adding contracted projects with those in the pipeline, represents 82% of the programme budget. By Category of Region this is Less Developed 106%, Transition 75% and More Developed 81%.

Overall Progress – Expenditure

Cumulative claims paid by the Managing Authority (MA) to grant recipients total £878m ERDF to 30 September 2019, an increase of £126m from the previous quarter.

2023 Performance Framework Targets - Outputs

Contracting and outputs delivered are making good progress towards the 2023 targets. Projects from the June call will strengthen this position further.

N+3 Target

N+3 2019 has been met and over achieved by 6%. The CA submitted an ECPA in early October bringing the cumulative ECPAs submitted to €1,006m (against a target to Dec '19 of €950m).

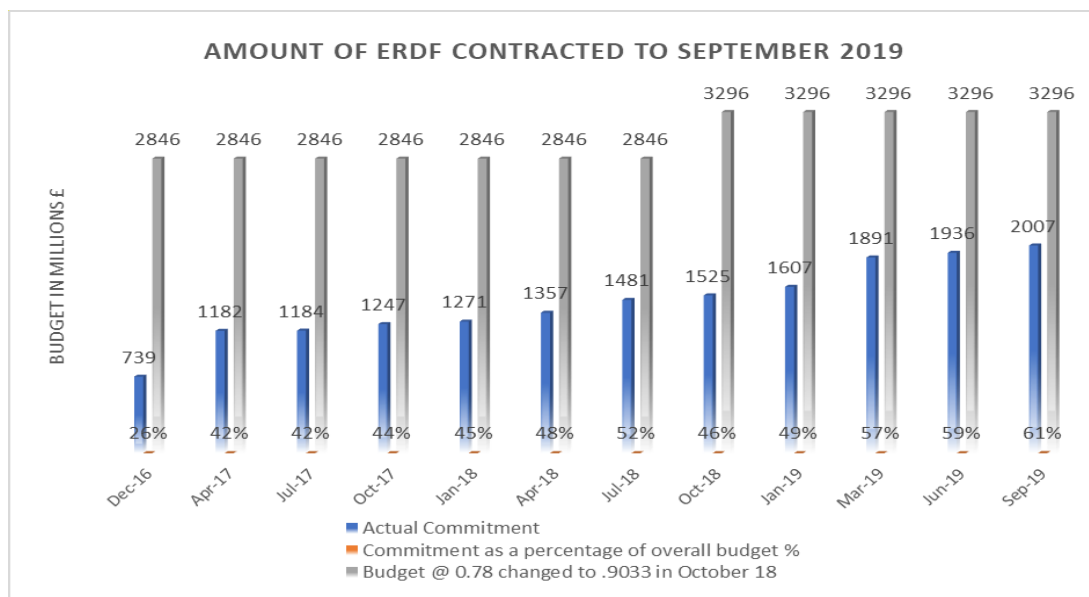


Programme Value and Targets

1. The value of the programme ERDF only is €3,649m (or £3296m @0.9033).
2. The ERDF+Match Programme (total eligible expenditure 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 September 2019. There has been a significant increase in commitment compared to the first part of the year, increasing from 49% to 61% of the programme value.
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 September, 61% of the ERDF allocation (inc. FIs) has been contracted. By category of region this is Less Developed 66%, Transition 59% and More Developed 61%.

Category of Region	Allocation £m	Commitment £m (inc. FIs)	Commitment %	Commitment & Pipeline £m	Commitment & Pipeline %
Less Developed	£412	£272	66%	£436	106%
Transition	£985	£581	59%	£736	75%
More Developed	£1,899	£1,154	61%	£1,531	81%
Total	£3,296	£2,007	61%	£2,703	82%

9. The table shows the position including the pipeline. Including the current pipeline LD is 106%, T is 75% and MD is 81% making an overall total of 82%.
10. Pipeline projects will progress through to commitment as applications are processed, although the June Call applications will increase the pipeline further.



11. A level of attrition is expected for pipeline projects with the overall position being closely monitored to ensure full Programme Commitment.

N+3 Target

12. 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.
13. 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.
14. 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.
15. N+3 is only officially achieved when the certifying authority has submitted payment applications to the EC.
16. 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

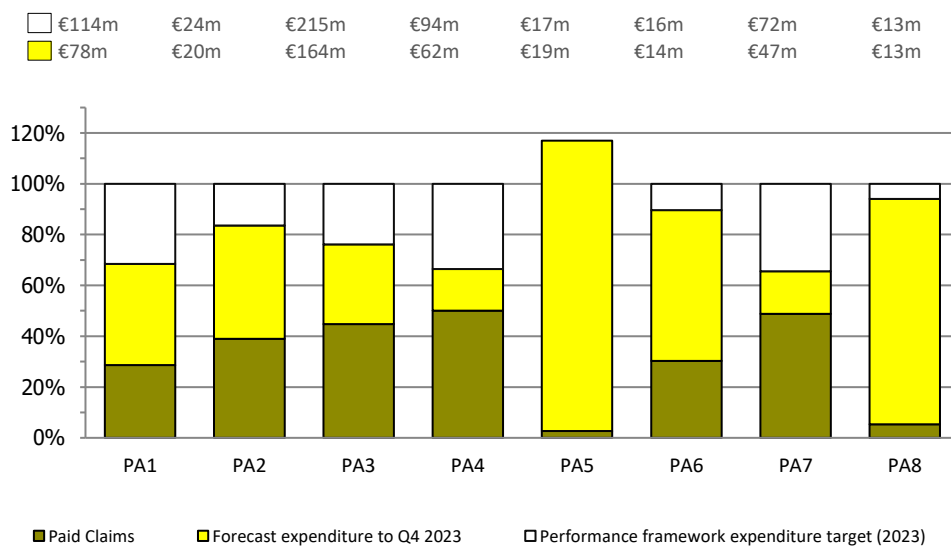
N+3 2019	Less Developed	Transition	More Developed	Total
N+3 target for payment claims (€m)	€ 120	€ 278	€ 552	€ 950
Less Payment applications submitted to the Commission at relevant exchange rate	€ 171	€ 289	€ 546	€ 1006
Current gap (€m)	+€51	+€11	-€7	+€55

17. The CA have submitted an ECPA in early October. Cumulative ECPAs are now valued at €1006m. Officially the target has been achieved and surpassed by 6%. A further ECPA can be expected in January '20.

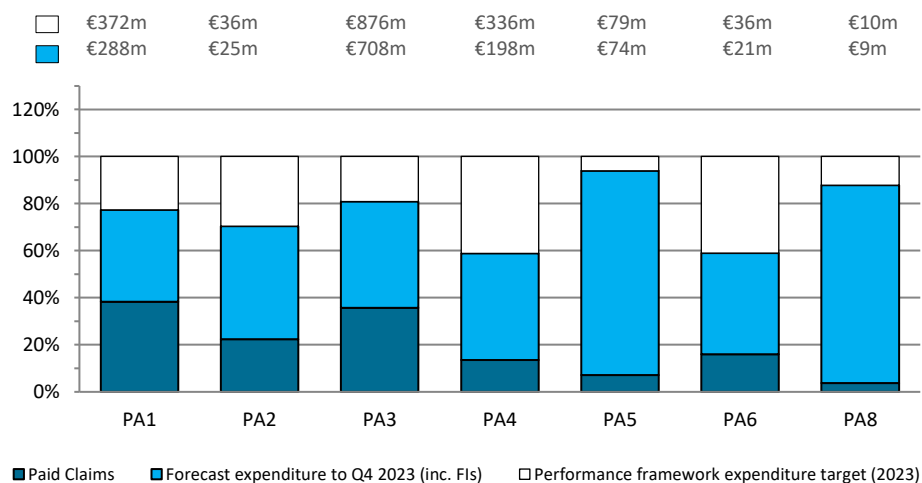


2023 Expenditure targets including paid claims (€m) by Priority Axis (exc. PA9) across each of the Category of Regions

Less Developed Region (LDR)

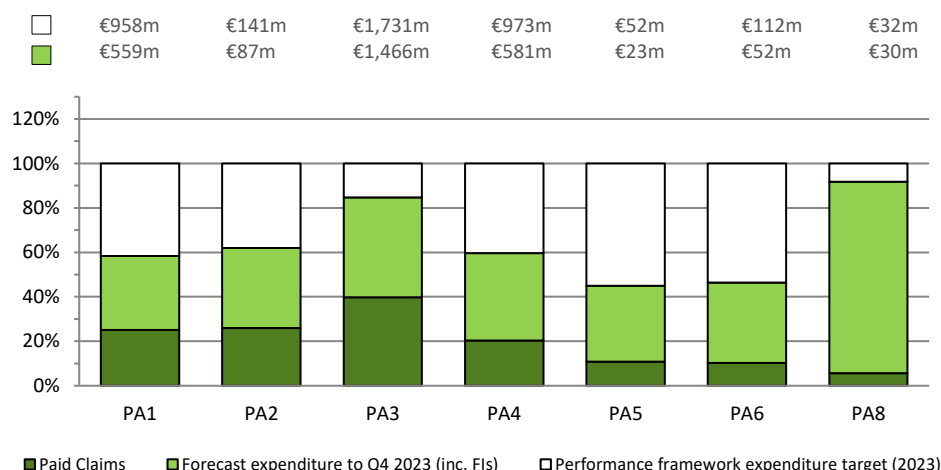


Transition Regions (T)





More Developed Regions (MDR)



18. 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 although additional projects that have been submitted via the June call round that closed at the end of September will bolster this position.
19. On PA1 all CoRs are making good progress in contracting. MDR has contracted 58% of the 2023 target, LDR 69% and Transition 74%. Overall 59% (including FIs) of the allocation has been legally committed, and with £185m of applications in the pipeline, this will increase to 84% (this does not include all the bids received in the June call, so this figure is expected to increase). In terms of claims paid, MD has achieved 25% of the 2023 target, LD 29% and Transition 37%. A positive performance overall with no particular areas of concern.
20. On PA2 16 LEP areas launched calls in June. A good response was received on 30 September and the expenditure committed will increase across all CoR.
21. On PA3, Against all 3 CORS, positive progress is being made against the 2023 performance framework targets with 66% of expenditure legally committed and £248.6m in the pipeline which would bring the total to 85% committed.
22. On 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%.
23. On PA5 the number of projects coming forward has slowed as the projects that come forward are generally projects that the Environment Agency has not been able to progress due to their value for money of their business case. ERDF has



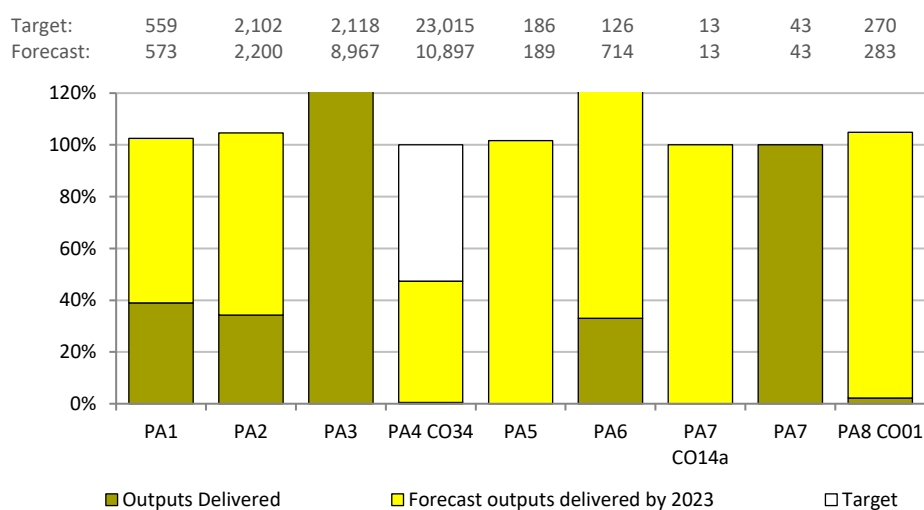
enabled schemes to be unlocked and most of these have been identified. A PA5 workshop was run with Lincolnshire Flood and Drainage Board which identified two potential projects that could be brought forward. The NE has swapped funding with Leeds as Leeds have a greater demand for PA5 funding.

24. For PA6 the number of projects coming through previous calls has enable PA6 to recover from a slow start.
25. PA7 is LDR only. Six projects are legally committed in this Priority, with a total eligible expenditure of £42.9m (€47.4m). This equates to 65.5% of the total allocation. There is one application in appraisal for the delivery of the Electric Vehicle charge points, that will, if approved, exceed the require 2023 target. The remaining allocation is primarily for the A30 Carland to Chiverton Cross major Project. A call of £12m has been issued and is in final preparation for submission to the Commission. The major project application will be submitted when the DCO has been received and this is anticipated in early February 2020.
26. On PA8 spend remains predominantly management and administration – however the balance is expected to shift as levels of local project contracting increases. Levels of management and administration are subject to joint monitoring by the ESF and ERDF managing authorities.

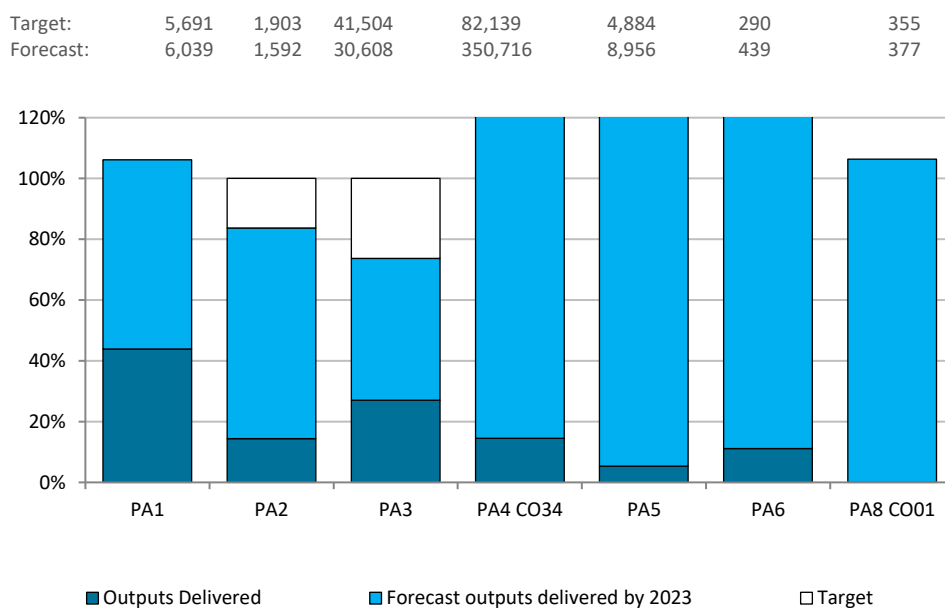


Forecast Delivery of Performance Framework Outputs as % of 2023 target by Priority Axis across each of the Category of Regions

Less Developed Region (LDR)

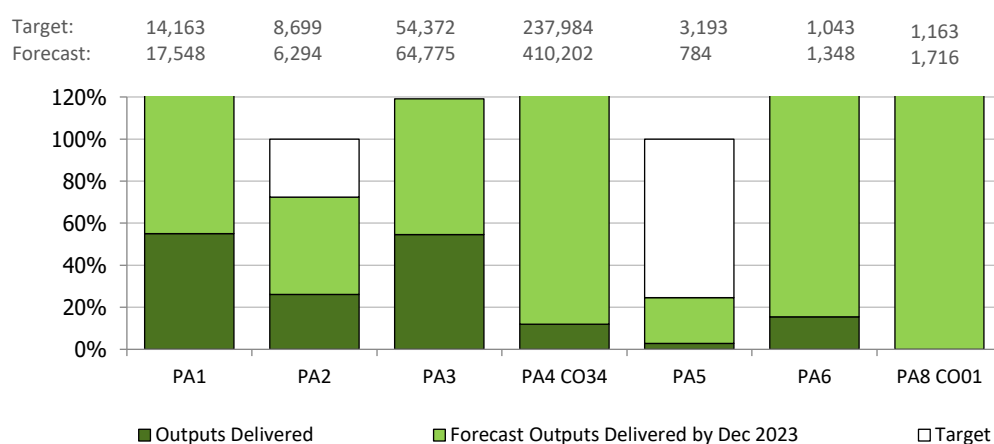


Transition Regions (TR)





More Developed Region (MDR)



27. Forecast output progress is good on all the key Priorities PA1, PA3 and PA4. PA5 is low due to the pace of the projects coming through. PA1 and PA6 showing good progress across all CoR.
28. 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 44% (Transition), 39% (LD) to 55% (MD). A positive performance overall with no particular areas of concern.
29. On PA2 there is a forecast of >65% for 2023 performance outputs across all the CoR. BDUK have launched gigabit voucher schemes, including rural gigabit voucher scheme. ERDF projects have adapted in order not to duplicate and ensure that they direct businesses to the schemes as appropriate. A good response was received from the June calls on 30 September which were primarily Business support calls, which will deliver Businesses Supported (performance output for MD and Trans).
30. 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 (including the outlines which we have recently received in Sept 2019 following the closure of the June 2019 calls) there will be a healthy headroom of outputs which will be contracted.

31. For PA4 outputs across MD and LD CoR have now contracted enough to meet the 2023 Allocation Target. LD CoR is now at 46% and 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 and also projects from the June Call.
32. On PA5 the outputs across T and LD CoR have now contracted enough to meet the 2023 Allocation Target. More Developed remains very challenging as the projects are not delivering the necessary level of outputs but are needed to protect areas.
33. For PA6 the level of outputs in all category of regions have now contracted enough to meet the 2023 Allocation Target, specifically less developed is primarily linked to one project that has been contracted with English Nature which covers a large geographical area.

Programme call schedule

34. The June call round (£613m) closed at the end of September. 510 applications were received for a total of £697m. Included in this total are project continuations worth £200.6m ERDF @1/11/19.

Sustainable Urban Development (SUD)

Overall performance across the nine SUD areas:

	£	% (SUD allocation)
ERDF contracted to live projects	£195,178,067	66%
Applications in the system	£83,193,663	28%
Balance remaining	£16,780,506	6%
Total SUD value	£295,152,236	100%

35. The level of ERDF committed to live projects has remained constant at 66% of the SUD allocation since the last Growth Programme Board report. However, the



level of funding remaining available to commit has significantly decreased to £16.7m (i.e. 6% of the allocation; previously 13%). This is because calls have recently closed and the pipeline has increased as a result. There will inevitably be attrition in the pipeline as, for instance, London is showing as over-allocated; its pipeline will reduce once outline applications have been assessed and some are rejected.

36. Several SUD areas are planning to launch further, final, calls by the end of January 2020, with a view to committing remaining funds. Although there is no guarantee this will be achieved, good progress is being made towards meeting the regulatory requirement that at least 5% of the ERDF resources allocated at UK level are committed to SUD. Currently 74% of the 5% target has been achieved. This increases to 106% with the pipeline.

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

SUD area	ERDF allocation	live	% live	pipeline	% live + pipeline	Available to commit
Greater Birmingham and Solihull	£11,742,900	£0	0%	£8,805,818	75%	£2,937,082
Bristol	£3,089,286	£0	0%	£2,057,530	67%	£1,031,756
Leeds City Region	£18,020,000	£636,065	4%	£11,104,221	65%	£6,279,714
Liverpool City Region	£11,233,439	£10,308,255	92%	£0	92%	£925,184
Greater Manchester	£24,325,869	£13,477,041	55%	£8,636,079	55%	£2,212,747
North East	£21,498,540	£6,797,511	32%	£10,918,799	82%	£3,782,230
Nottingham and Derby	£11,349,965	£2,818,520	25%	£5,442,406	73%	£3,089,039
Sheffield City Region	£9,613,000	£9,267,378	96%	£0	96%	£345,622
London	£184,279,237	£151,873,295	82%	£36,228,810	102%	-£3,822,868
total	£295,152,236	£195,178,067	66%	£83,193,663	83%	£16,780,506



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

Financial Instruments

38. To 31st October 2019, the ERDF programme had contracted eleven financial instruments (FI) worth £1,284.86m; comprising of £518.60m ERDF and £766.26m match funding. These are detailed in table 1 along with some data on delivery.

Project	FI Type and start date	Applicant	ERDF	Match	Total Investment	ERDF Draw down %	Total Invested %/(m)
Northern Powerhouse Investment Fund (NPIF)	Access to Finance (01/11/2016)	BEIS (BBB)	£140.4m	£261.6m (EIB £183.65m)	£402m	50%	33.6% (£135.1m)
The North East Fund	Access to Finance (01/03/2018)	North Tyneside Council (for 7 LAs in NELEP area)	£58.5m	£81.5m (EIB £60m)	£140m	50%	20.2% (£28.4m)
Greater Manchester Fund of Funds - Urban Development Fund	Urban Development & Energy Efficiency (22/11/2016)	Greater Manchester Combined Authority	£60m	£60m	£120m	25%	33.3% (£40m)
Midlands Engine Investment Fund	Access to Finance (28/04/2017)	BEIS (BBB)	£78.5m	£187.6m (EIB £122.50m)	£266.1m	50%	16.3% (£43.4m)
Cornwall & Isles of Scilly Investment Fund	Access to Finance (01/01/2018)	BEIS (BBB)	£32m	£8m	£40m	25%	13% (£5.1m)



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Project	FI Type and start date	Applicant	ERDF	Match	Total Investment	ERDF Draw down %	Total Invested %/(m)
Mayor of London Energy Efficiency Fund	Urban Development & Energy Efficiency (01/06/2018)	GLA procuring Fund Managers	£43m	£43m	£86m	50%	12% (£10.1m)
London SME Fund	Access to Finance (01/06/2018)	Funding London	£35m	£65m (EIB £50m)	£100m	25%	2.50% (£2.5m)
Liverpool UDF	Urban Development Fund (01/04/2019)	Liverpool City Region	£25m	£18.2m	£43.2m	25% Oct'2019	n/a
Low Carbon Innovation Fund II	Access to Finance (01/04/2019)	Norfolk County Council	£11.2m	£11.36m	£22.56m	25% March 2020	n/a
Cheshire & Warrington UDF	Urban Development Fund (01/04/2019)	Cheshire East Council	£20m	£20m	£40m	25% March 2020	n/a
Lancashire UDF	Urban Development Fund (17/10/2019)	Lancashire County Council	£15m	£10m	£25m	25% March 2020	n/a
Total Approved		-	£518.6m	£766.26	£1,284.86m		

39. Three of these have made their first claim of ERDF, and four (Northern Powerhouse Investment Fund, The North East Fund, Midlands Engine Investment Fund, and the Mayor of London Energy Efficiency Fund) have made two. Overall, £191.7m ERDF has already been drawn down by FIs.



Community-Led Development (CLLD)

40. Following the initiation of ERDF recovery plans in Q2 (June) 2019, there is some reported improvement in delivery momentum. Local project pipelines are growing in scale.

Total PA8 CLLD expenditure contracted	£45,601,450
Of which CLLD Project Management & Administration expenditure	£15,290,723
Of which local grants expenditure	£30,310,727
Level of local CLLD project contracts	£6,788,789
Level of local CLLD project pipelines	£16,230,397
Balance of grants expenditure to commit	£23,521,938
Level of claimed expenditure at 30.10.19	£2.8m

41. Spend remains predominantly management and administration – however the balance is expected to shift as levels of local project contracting increases. Levels of management and administration are subject to joint monitoring by the ESF and ERDF managing authorities.
42. Strong commitment performance is evident in Hull and Yorkshire Coast CLLD areas, who have achieved 100% contractual commitment of the non-management and administration budget. This is attributable to:
- Early stage networking and promotion of CLLD opportunities amongst intermediary partners ;
 - Accountable bodies maintaining planning/implementation momentum between strategy and CLLD full application/grant funding agreement stages;
 - Intensive awareness raising/promotion/support to applicants.
43. Best practice is being shared with other CLLDs who continue to experience delivery constraints.



44. Progress across all CLLDs continues to be closely monitored by the ERDF managing authority and joint ESF and ERDF operational steering group.
45. Plans are in place for Quarter 4 ERDF annual reviews which will take place in January 2020. This will provide further opportunity for CLLD projects to review implementation progress and consider any further action required to move to full commitment.
46. The annual reviews will consider progress in respect of achievement of CLLD outputs, with a focus on the Performance Framework (PF) target of 1,682 Enterprise Receiving Support to be delivered by 2023.
47. Contracted PF outputs exceed the 2023 target at 2,352 (139%) of the target, however the annual reviews will test the robustness/realism of the of the contracted figures
48. The outcome of the reviews will be reported to GPB.
49. Plans to hold a second practitioner-led CLLD network event in 2019 have been postponed. Plans are underway to hold the next event in February/March hosted by Cornwall CLLD. The agenda will focus on sharing good practice from commitment of funds/calls and sharing case studies from contracted projects delivering successful CLLD interventions.

Compliance

50. 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.
51. Work continues on the 2019 visit schedule. To date 97 visits have been undertaken, of which 78 are closed. With reference to previous visit years, 1 visit remains open from 2017 and 3 from 2018. The 2017 visit cannot be closed until the project is closed, due to an E-claims issue.



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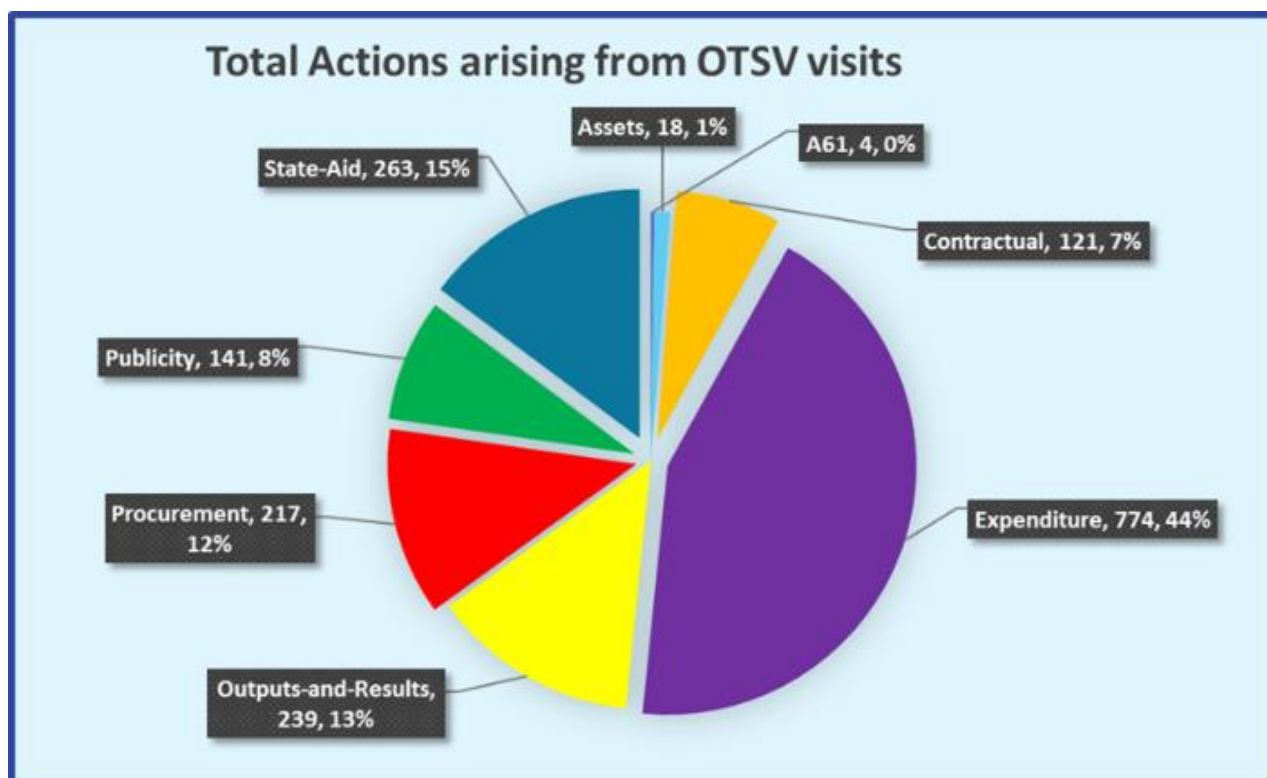
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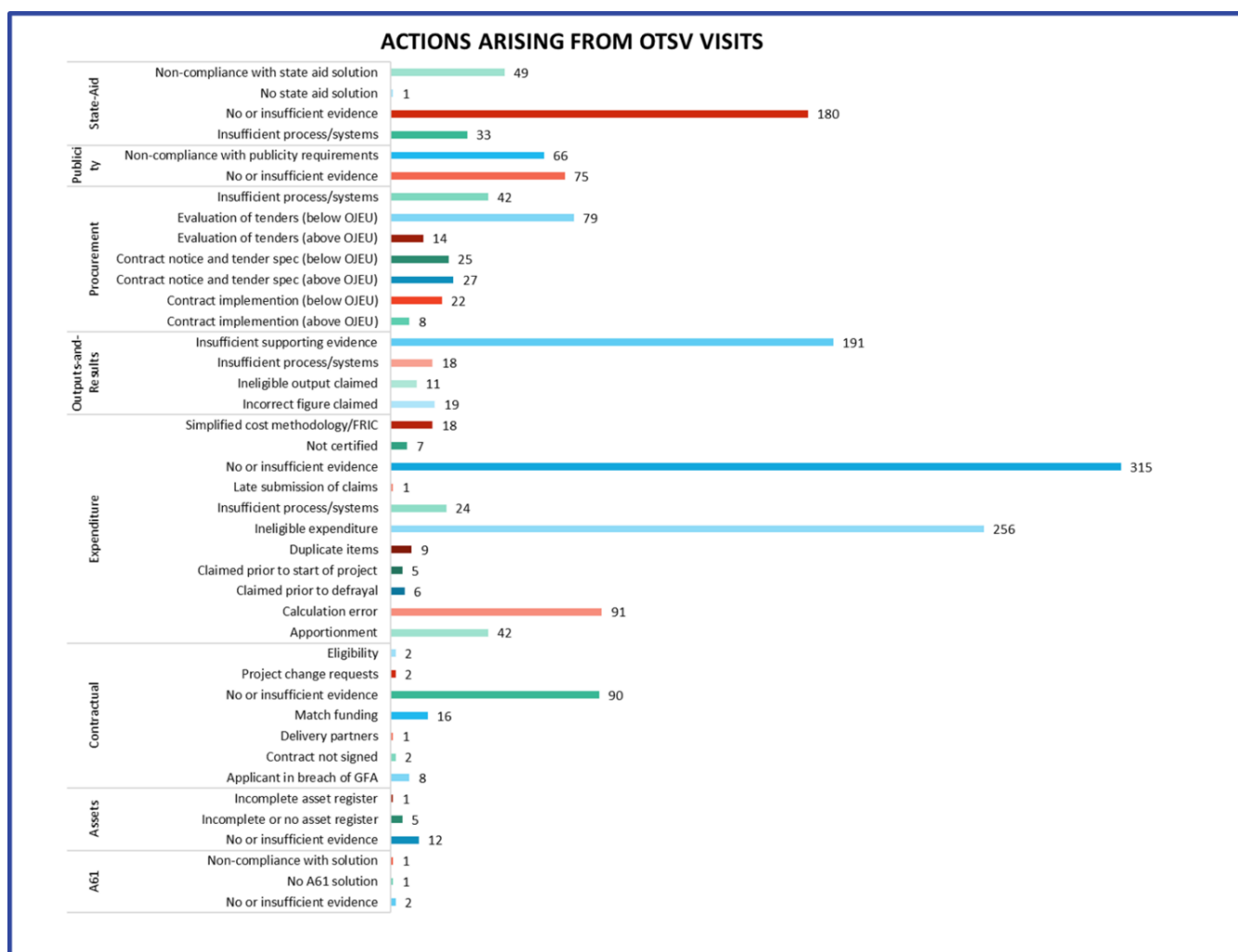
OTSV schedule year	Number of visits	Value of claims selected for visit schedule	Total value of claims tested	At Risk	At Risk %	Confirmed Irregularities	Confirmed %
2019	192	£186,455,101	£97,642,077	£3,270,794	3.35%	£63,179	0.06%
2018	203	£111,950,967	£111,950,967	£2,940,311	2.63%	£564,970	0.50%
2017	182	£106,767,024	£106,767,024	£15,043,534	14.09%	£671,109	0.63%
2016	142	£34,968,079	£34,968,079	£2,061,406	5.90%	£15,740	0.05%
Total	719	£440,141,171	£351,328,146	£23,316,046	6.64%	£1,314,998	0.37%

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
1777	1698	79	352

52. Monthly analysis of A125 visit actions is reported in the Monthly Performance Pack.
Actions identified are broken down by category and sub-category below:

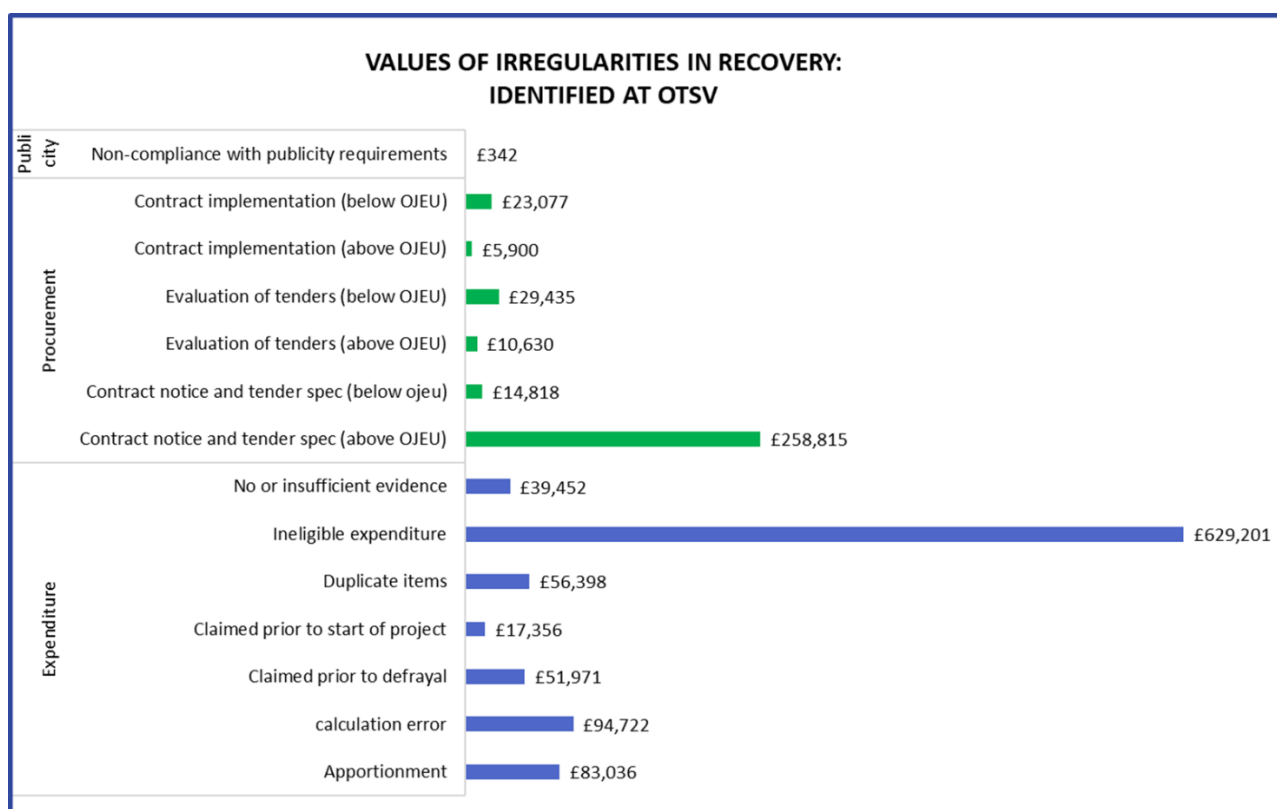
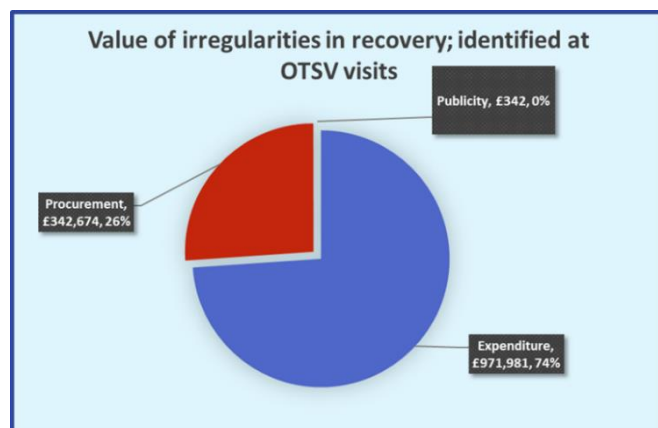
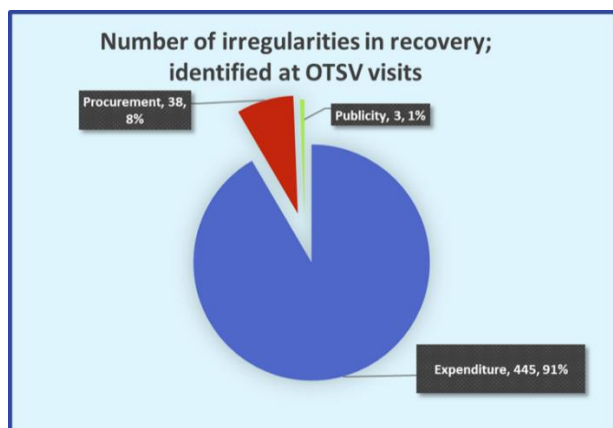




53. An analysis of irregularities that are identified by the OTSV process is undertaken monthly. The charts below show the number of irregularities in recovery by category, along with the value by category and sub-category. Despite actions being raised in all categories only 3 categories have resulting irregularities.



Irregularities identified by OTSV process.





Cross cutting themes

Sustainability

54. 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.
55. The 2014-2020 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 SME's are signed posted to resource efficiency opportunities, either through online tool kits or through PA4b resource efficiency projects that are running locally

Equality & Diversity

56. The equality principles of the Programme are :
- 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.
57. 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; and as an action of the July Meeting the full set of data was provided to the ENSC on



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the 29th October 2019. The ENSC were interested in the numbers although the data has yet to be reviewed and analysed.

58. With a focus on monitoring and reporting to the GPB on the progress of the CCT, the meeting in October discussed how the available data could be used to identify best practice for future funding streams. A meeting outside of the Committee is planned for the review of data.



ESI Funds Growth Programme Board

ESF Programme Delivery

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 and asks members to actively encourage their LEP areas to expedite the design of Calls to draw on the Reserve Fund, which was launched on 20 September 2019.

Summary:

This paper provides the latest programme update and advises the Board of the action the MA is taking to address the challenges that lie ahead.

Progress towards 2019 N+3 target is strong, with most of the required expenditure this year already submitted in payment applications to the Commission. We have received sufficient claims to enable us to achieve and exceed the remainder of the 2019 target, by €147.4M at the time of drafting this paper. The focus is now on processing these claims so that they can be included in the next Interim Payment Application (IPA) in December. IPA13a was submitted to the EC on 18 November for €123M. This has taken us to 98% of the 2019 spend target, with a further application planned in December this should take us well above our target. Members will be updated on the latest position at the meeting.

As previously advised, any Calls in addition to those already included in the current Call Timetable will be co-ordinated through the Reserve Fund (RF). At the time of drafting this paper, two Call Proposals have been made to the RF; one has been approved, whilst the second required some points of clarification for it to be fully assessed.

Taking into account all known plans provided by LEP areas, the launch value of the Reserve Fund was just over £390m. The launch was communicated to ESIF chairs on 20 September 2019, along with supporting information and confirming the availability of the ESF LEP Leads to advice and support LEP areas to develop Call Proposals.

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 by the Growth Programme Board in June and subsequently accepted by the Commission. Following our discussions with the Commission about the correction of some data anomalies that were discovered after submission, they have now accepted our proposed approach and rejected the previously submitted 2018 AIR. This enabled us to amend the discrepancies and re-submit the data, as planned. This exercise was completed on 27th November and we are awaiting the Commission's response.

All data included in this report is as at 31 October 2019 and uses the November exchange rate of € 0.862, unless otherwise stated. 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, this report is based on the latest participant data available (September 2019).

As per previous discussions at GPB, performance data presented by gender split will be provided as part of the MA's update at the December meeting.

The position at the last report (with ESF data to 31 July 2019), is shown in brackets for comparison purposes.

Programme Update:

Calls and Commitment Update:

- ESF commitment, as of 31 October 2019, was £2.06 billion (£2.018 billion), 67.8% (66.5%) of the total ESF allocation.
- In Priority Axis 1 and 2 there are 234 (213) Direct Bid projects with commitments totalling £541.8 million (£469.9 million) and 157 MOUs for the National Co-Financing Organisations (CFOs), valued at £1.49 billion.
- There are 40 ESF Funding Agreements for Technical Assistance with a value of £28.2 million.
- There are 223 (53) Full Applications in appraisal, which total £523 million (£106.5 million) (PA1 £284m, PA2 £237m and PA3 £458,000).

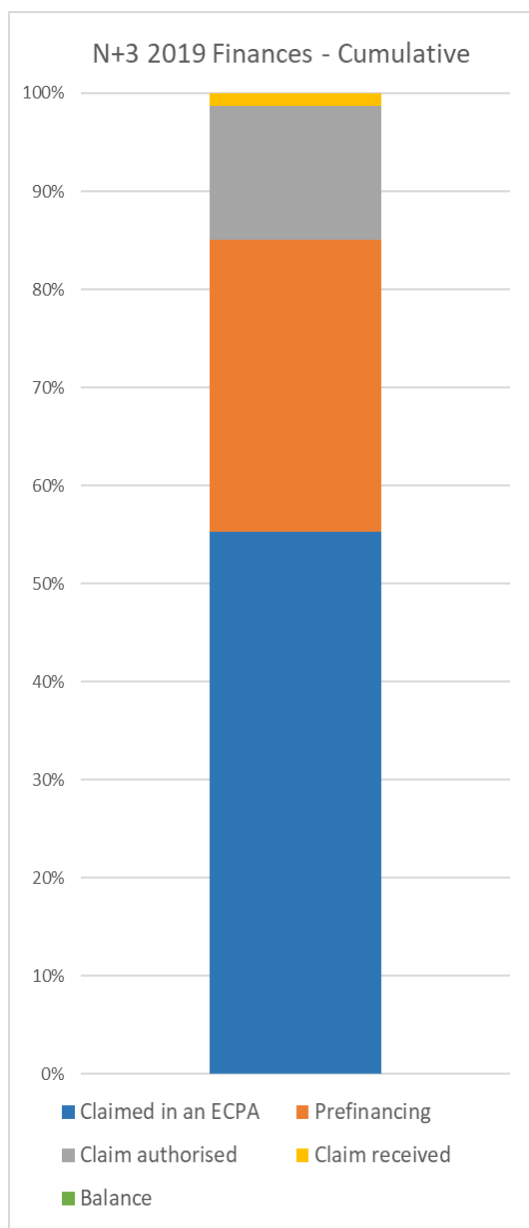
1. At the time of drafting this paper, the forward timetable contains 22 calls, to the value of £62,850,145. This comprises 12 PA1 calls (£24.4M; 39%) and 10 PA2 calls (£38.5M; 61%).



2. As advised in the last report the MA published a National YEI Call in July. Ten applications were received, of which seven were for the More Developed Region (MD), one for Transitional (T) and two for both. Total value of applications £56.16m (£53.8 m in MD and £2.36m in T. The total value of the MD application values (including dual CoR) is 67% of the Call Value. All applications are being considered as full applications and full appraisals, as although some of them are extensions to existing projects, their circumstances mean that an automatic conversion to a Project Change Request is not appropriate. One of the projects within the MD Region is for a significant amount of funding, totalling £36.4 million. Any residual YEI funds remaining after this exercise will be ring-fenced and allocated via the Reserve Fund processes.
3. At the time of drafting this paper, there are 34 live calls, totalling £82,443,931 million.



Progress on N+3 Target:



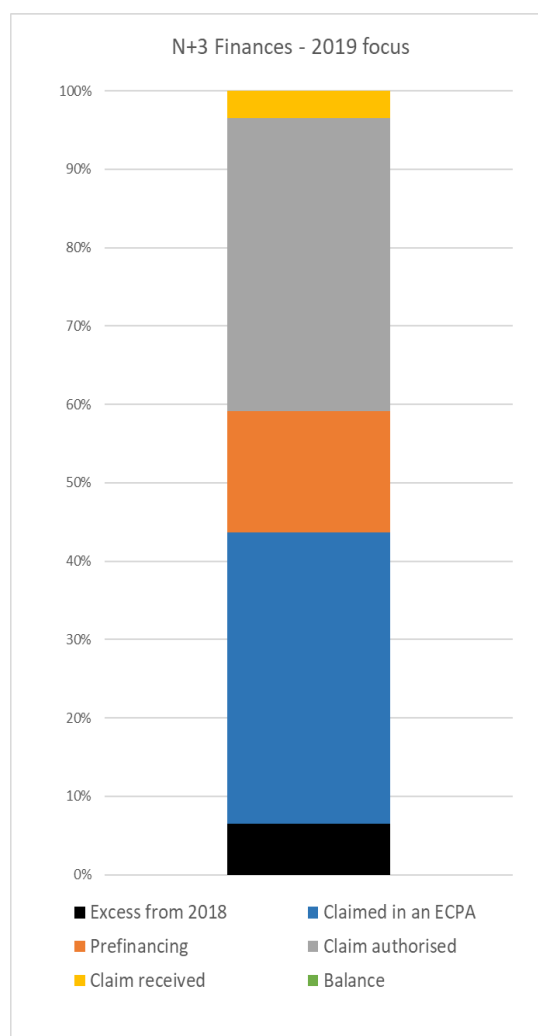
Target	€ 1,449,755,872.00	
Claimed in an ECPA	€ 882,216,111.18	49.10%
Prefinancing	€ 476,792,823.99	32.89%
Claim authorised	€ 217,950,434.70	15.03%
Claim received	€ 20,178,236.43	1.39%
Over achievement	-€ 147,381,734.31	



Table One: N+3 2019 Finances – Cumulative Performance

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.

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	€	216,656,832.09	10.61%
	Prefinancing	€	90,180,290.34	20.72%
	Claim authorised	€	217,950,434.70	50.07%
	Claim received	€	20,178,236.43	4.64%
	Balance	-€	147,381,734.20	



Table Two: N+3 Finances – 2019 Focus

The Bar Chart and legend illustrate the N+3 Performance of the Programme in 2019 as at 31 October 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) 12 was submitted by the Certifying Authority (CA) in October 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 received' figures highlight that we have received sufficient claims to facilitate early achievement of the 2019 N+3 target. Current focus is on prioritising the processing of these claims so that they will be included in future IPAs.
- Members will see from Table Two that there is actually a surplus over the basic amount required to achieve the 2019 target of €147,381,734.

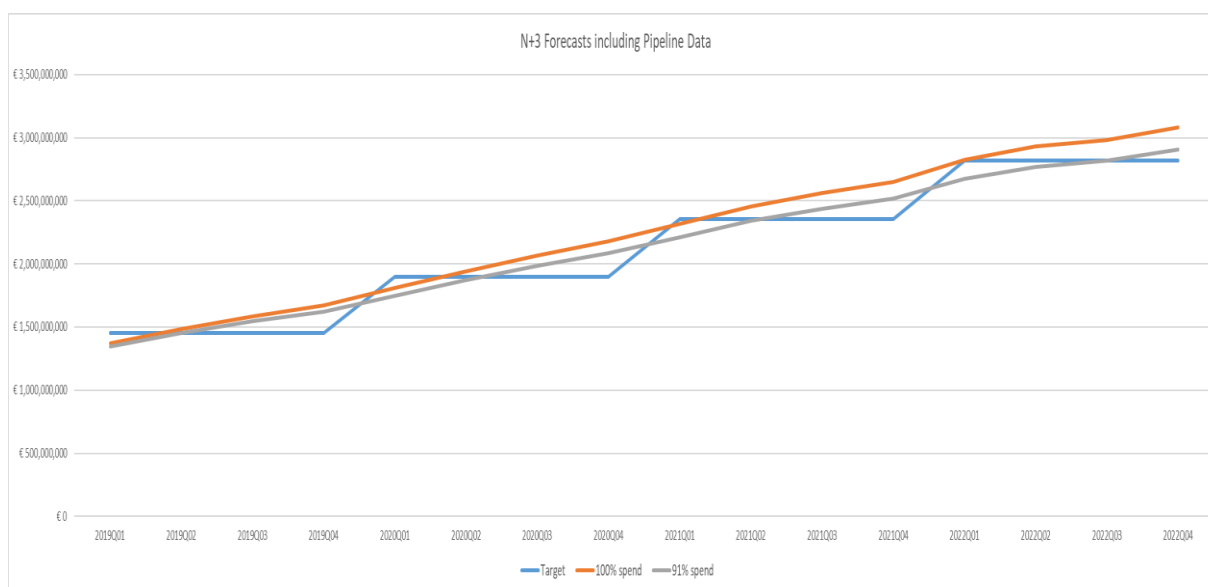




Table Three: N+3 Performance Forecast against profile, including pipeline, to Q4, 2022

4. As can be seen in Table Three (above), the performance forecast for the 2019 N+3 shows that we have received 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:
5. 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.
6. 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 anticipate being 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 remains strong at 88.84% (ESF only) and 89.49% (including match) as at the end of October 2019, despite adverse movements in the exchange rate
7. The MA is actively working to maintain this level of performance for the remainder of the programme and is working to continue the increased claim rate by improved processing of claims and robust contract management, actively chasing outstanding or late claims and applying under-performance methodology where required. This applies to both CFOs and Direct Grant Recipients.
8. The MA will continue to monitor the position to enable us to be more proactive in spotting any future risk to achieving N+3 targets. This will enable us to take preventative action rather than reactive action to maximise our ability to achieve N+3.

**ESF Claims Performance:****ESF Claim Performance against Profile:**

9. 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. The exception here is the PA 1 Performance in the Less Developed CoR. It would greatly assist the MA's efforts to boost performance in this CoR if members could continue to relay the message to the PA 1 Projects here that performance improvement is necessary.

CLAIMS SUMMARY				
Org Type	Cumulative Profile to Q2 2019	Cumulative Claims	Slippage	Percentage Claimed
Direct-Bid	£526,965,033	£371,535,331	-£155,429,703	70.50%
ESFA	£658,645,311	£772,808,910	£114,163,599	117.33%
DWP	£199,242,376	£147,449,183	-£51,793,193	74.00%
HMPPS	£262,248,675	£258,447,609	-£3,801,066	98.55%
NLCF	£309,102,376	£200,295,964	-£108,806,412	64.80%
TOTAL	£1,956,203,771	£1,750,536,997	-£205,666,774	89.49%



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

CLAIMS SUMMARY					
Priority Axis	Category of Region	Cumulative Profile to Q2 2019	Cumulative Claims	Slippage	Percentage Claimed
1	Less-Developed	£35,152,894	£23,248,925	-£11,903,968	66.14%
1	Transitional	£284,145,278	£269,815,266	-£14,330,012	94.96%
1	More-Developed	£1,037,723,656	£902,269,070	-£135,454,586	86.95%
1	YEI	£184,598,600	£168,274,537	-£16,324,063	91.16%
2	Less-Developed	£17,313,223	£13,601,029	-£3,712,194	78.56%
2	Transitional	£92,985,546	£102,522,544	£9,536,997	110.26%
2	More-Developed	£262,058,237	£238,062,405	-£23,995,832	90.84%
3	Less-Developed	£1,959,563	£1,638,808	-£320,755	83.63%
3	Transitional	£9,284,776	£6,299,845	-£2,984,931	67.85%
3	More-Developed	£30,981,997	£24,804,567	-£6,177,430	80.06%
TOTAL		£1,956,203,771	£1,750,536,997	-£205,666,774	89.49%

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

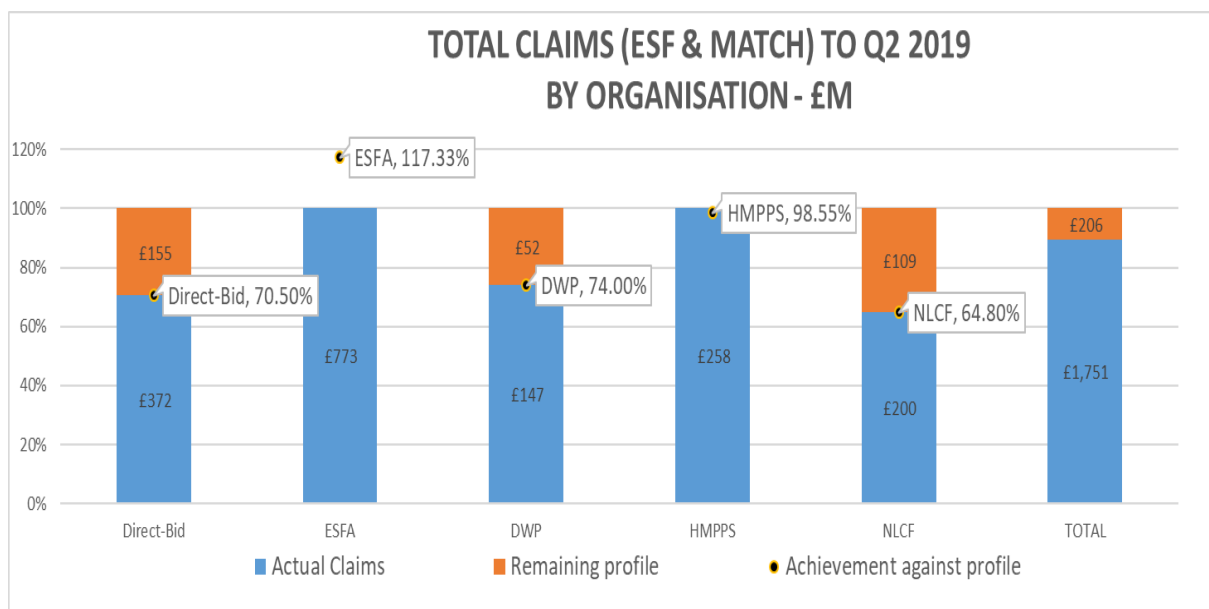
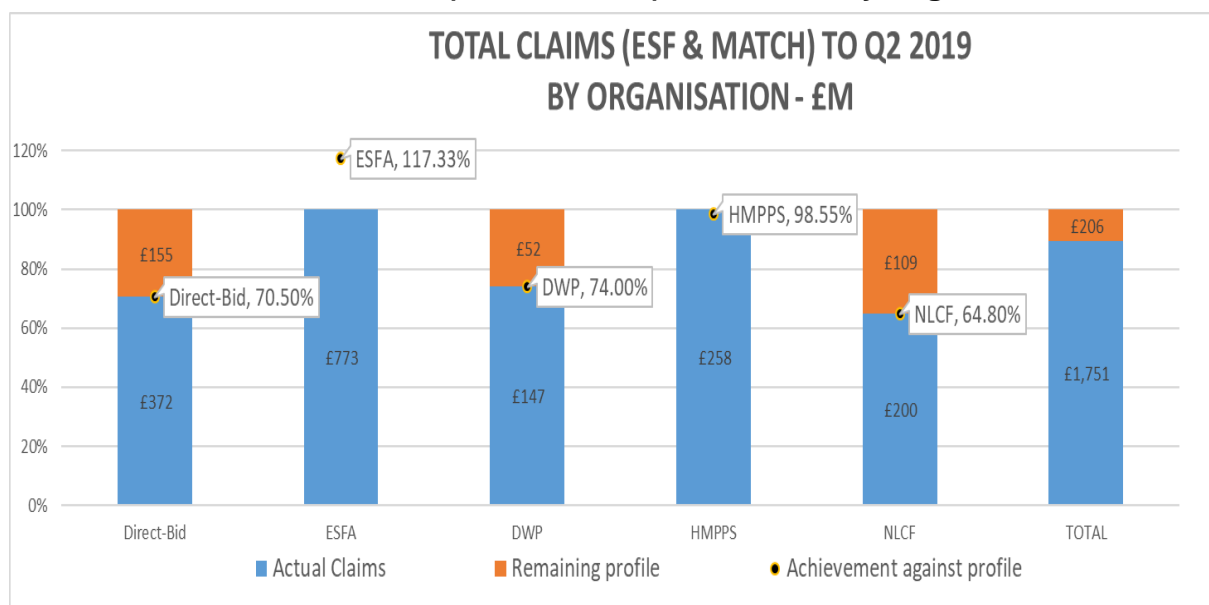




Table Six: Total Claims (ESF & Match) to Q2 2019 by Organisation - £M



10. Table Six shows the total value of all claims, including both ESF and match funding, against their profile, 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 labels on the chart depict the actual performance against profile in terms of percentage achievement.
11. 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 NLCF activity, as Table Six shows them to have relatively weak performance, in terms of claims against profile. In contrast, DWP's activity has improved, largely due to the extra claims being submitted, totalling approximately £40 million.

The National Lottery Community Fund (NLCF):

12. The NLCF Performance Monitoring Meeting was held on 24 October - the Managing Authority discussed all aspects of performance and progress to date.
13. NLCF are re-profiling current underspends as part of the current round of extension PCRs and ESIF Sub-Committees have been supportive of this approach. Out of the 37 PCRs received (excluding London) 15 MOU variations have been issued to NLCF. The remainder of the PCRs are currently undergoing the final stage of the assessment process. This will have the impact of improving their performance against profile and enable them to maintain this going forwards.



14. The NLCF cumulative Quarter 2 2019 claims were received on time and all the claims were processed and paid by the end of October 2019. As with the previous quarters the claim rates have continued to increase. The MA has discussed the management of performance with NLCF regularly and is satisfied that the expected steps are being taken to address poor performance where appropriate. NLCF have confirmed that they issue regular Management Information updates to support LEP Officers inform their local ESIF Sub-Committees.

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

15. All claims to date have been paid. Monthly Performance Monitoring meetings continue and the second of their bi-annual Performance Monitoring Meetings will be scheduled before the end of 2019.

DWP:

16. Quarter 2 2019 claims were submitted on time and are in the process of being checked and paid. DWP CFO are closing a number of Projects where performance has not met the required standard to qualify for an extension. For these Projects DWP CFO have re-profiled and submitted PCRs which are currently being reviewed. Any de-committed funds from Projects that did not qualify for an extension will be subsumed into the Reserve Fund. 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.

17. DWP CFO have recently published some programme statistics covering the period September 2016 to April 2019 which can be found here
<https://www.gov.uk/government/statistics/european-social-fund-2014-to-2020-september-2016-to-april-2019>.

ESFA:

18. Quarter 1 2019 claims were submitted on time and the Managing Authority have completed initial checks and issued all payments. Quarter 2 2019 claims were submitted within the agreed deadline and the MA have completed initial checks and have paid 83% of the 87 claims that were received and in the process of issuing a further 10% of payments. Monthly Performance meetings are ongoing, and their bi-annual Performance Monitoring Meeting was completed in July. A number of LEP areas had market failure under phase two and the ESFA have now relaunched some of the ITTs following a review of the specifications and secured preferred bidders for each lot and will be looking to finalise contract awards. 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 paid by the Commission:

19. The most recent IPAs submitted are as follows:

- The Interim Payment Application (IPA11) was submitted in July for €21,463,621.45 (total expenditure). We received reimbursement of €11,503,667.50 (£10,496,161.91) in August.
- The Interim payment application (IPA12) was submitted in October for €313,409,786.08 (total expenditure). We received reimbursement of €153,410,997.43 (£131,531,631.29) on 01 November.
- The Interim Payment Application (IPA13a) was submitted 18/11/2019 for €123,783,916.38 (£106,701,994.12) and we expect reimbursement of €59,093,126.50 (£50,820,088.79) by the end of January 2020.
- A further IPA will be submitted in December.
- (Expected reimbursement are net figures after the 10% Retention has been deducted)

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

20. The Commitment table at Annex A (i) highlights 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).

21. These tables therefore measure commitment levels and not actuals.

22. In practice, this also means that in the “participants” columns 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.

23. 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 current spend. Although it has



improved slightly since last month, committed Outputs still lag 1.8% points behind committed spend. However, within this, there is a specific area of under-performance in PA 2, specifically IP 2.1, which is 12% points behind.

24. People with Disabilities, (ESF CO16) 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.
25. The only other areas of significant concern are ESF – CO03 “Inactive” client performance in both IP 1.1 and IP1.2. The MA intend to address these performance gaps via future calls, prioritising those calls that will address the identified areas of concern.
26. However, at Programme level, performance across all areas is strong and there are some very significant areas of strong performance – for example 05 Ethnic Minorities is 40% 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 49 points ahead. 07 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.
27. PA2 is proving slightly more challenging; there are two priority groups where substantial additional participant commitments need to be made to meet the level of financial commitment. These are “participants with disabilities” and participants “without basic skills;” both indicators are at 50% or less of committed participant numbers. When measured against the amount of funding that has been committed in these areas, they are behind by 13% points and 6% points respectively.
28. 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.
29. The Results table (Annex A (ii)) uses Red, Amber and Green to show how the commitment compares the target. Green being above target, red being below. Broadly the PA 1 committed results are above target other than for a few exceptions.
30. Across PA 2 committed results are in-line with, or slightly above the target but there is less overall green here, so less “headroom”. And for YEI there are a number of instances where commitment levels are behind target. However, the expectation is that the recent YEI calls will help with this situation.



31. Whilst current and planned calls will help fill some of these gaps in committed performance, it reaffirms the need to ensure that the MA continues to use the likes of the Reserve Fund to address these gaps and specifically target groups like “participants with disabilities” for future call proposals launched from the Fund.

Priority Group Actuals Performance: Annex B

32. **Annex B** shows ‘actual performance’ for sub-group by Category of Region (CoR). This provides Participant data until end Q2 2019, the latest available at the time of writing. As explained in the summary to this paper, the Performance Framework financial and participant data have different period end dates.
33. The Annex illustrates the performance picture by sub-group and CoR and shows total committed to date against the end of programme target. In addition, members will note that the Annex also shows commitment performance against profile until end Q2 2019, along with the actual performance against these milestones.
34. The tables should be read bearing in mind current claim rates (where a claim rate is below 100% it is not surprising that actuals would also be lagging behind commitments to date).
35. Current actuals are broadly positive and also positive when read across claim rates. Across many deliverables such as participants with disabilities, unemployed participants and those with low skills upon entry the programme, performance is currently ahead of profile for this point. Across a number of other deliverables, the programme is around the level that we might expect.
36. It is sensible to pause on the relative underperformance in the MD and LD CoRs and at Programme level for “ESF C003 Inactive”, especially when compared with the performance apparent in the other sub groups. Evaluation evidence shows that it is more challenging for projects to engage with inactive people, often because there is no single place, e.g. Job Centres, in which to find them or other channels to reach them. Projects have needed to use a broader range of referral routes including social media and word of mouth, the latter being particularly effective when coming from existing or previous participants.
37. In addition, broad feedback from a variety of sources across England indicates that the inactive participants are presenting with complex multiple barriers meaning that they are much further from the labour market and need more intensive quality support over a longer period of time than providers originally envisaged.
38. This best practice should also reflect on the better than committed immediate results for inactive people into employment or job search (R2) which at programme level currently stands at 39% compared to a commitment of 26% and a total programme target of 30%.



39. More widely, it is worth noting that the profile of commitments has seen a recent trend of shifting to the right. It is therefore vital to monitor progress towards end programme targets as presented in the tables and ensure that remaining commitments are focused where gaps are likely to emerge.

Reserve Fund

40. Following the ESI Fund Growth Programme Board's decision to ratify the approvals previously given at the June meeting, the Managing Authority wrote to Local ESI Funds Sub-Committee Chairs on 20 September confirming the launch of the ESF Reserve Fund and that the Managing Authority is now able to receive and consider Call Proposals from LEP areas for funding from the Fund.
41. Members will recall that LEP areas were asked to submit final Call plans against their Notional Allocations by 20 May 2019. This information was used to develop a Call timetable through to end December 2019. Any remaining funding, for which LEP areas had no plans, has been drawn into the Reserve Fund and any Calls launched in addition to those in the Call timetable will be co-ordinated through the Reserve Fund.
42. Having taken into account the total value of planned Calls plus all existing programme commitments, the MA calculated a launch value of the ESF Reserve Fund of just over £390m.
43. ESF LEP area Leads have been closely involved in the development and detail of the Reserve Fund and are fully briefed on all delivery arrangements. They are already providing assistance to LEP areas wishing to draw down funding from the Reserve Fund and stand ready to support any LEP area through the process of developing Reserve Fund Call Proposals and submitting them to the Managing Authority.

LEP Commitment Levels: Annex C

44. The charts at Annexes C (i) and (ii) provide an overview of the progress against notional LEP allocations by Category of Region. The work undertaken by the Managing Authority looking at LEP commitment levels is now complete. The results have been fed into the MA's discussions with the areas concerned. 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. To give an idea of relative scale, the actual amount is also included.
 - Claimed – is the actual performance to date against the commitment.
45. 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. As members will be aware, these measures have included raising the Minimum Call Value, the Minimum Application Value and encouraging the consortia approach wherever possible.
46. **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

47. As previously reported, the national ESIF Equality & Diversity National Sub-Committee has led work to develop some good practice / 'hints and tips' guidance on managing the records of participants who are transitioning between genders and changing identities. The product is based on Government Equalities Office guidance and addresses key issues including ensuring records relating to a person before transitioning are kept restricted and recommended additional layers of security. Sub-Committee members approved the product at the 29 October meeting; the MA is making necessary arrangements for ESF Grant Recipients to have access to it.
48. The Managing Authority worked 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, for example, third country nationals. The guidance was published on GOV.UK in October.
49. The Managing Authority has produced an Equality Mainstreaming Report which sets out the progress made in equality mainstreaming from the start of the programme. The report was presented to the Equality and Diversity National Sub Committee meeting on 29 October and approved by members. The report will be submitted to the Commission by the end November.



European Union

European Structural
and Investment Funds

GPB 20191218 Item 2 European Structural and Investment Funds 2014 - 2020 Growth Programme for England- ESF

Annex A (i): Outputs – committed participant data

Programme Total - All CoR		TOTAL PARTICIPANTS (O1 Participants, O2	ESF- COO1 - Unempl oyed, includin g long	ESF- COO3 - Inactive	O4 - Participa nts over 50 years of age	O5 - Participa nts from ethnic minori ti	ESF- CO16 - Participa nts with disabili ti	O6 - Participa nts without basic skills	ESF- CO14 - Participa nts who live in a single adult	YE-F08 - Participa nts (below 25 years	YE-F03 - Participa nts (aged 25-29) who are	YE-F09 - Unemp loyed partici pants	YE-F10 - Long-term unemploy ed partici pants (YEI	YEI- O11 - Inactive partici pants not in	YEI- O12 - Participa nts with disabili ti	YEI- O13 - Participa nts who live in a single adult	O7 - Participa nts who are offende	ESF- CO23 - Number of support ed
PriorityAxis/ LEP Area	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	Percentage Committed
1.1 Total	76.45%	75%	85%	62%	89%	116%	83%	80%	99%									
1.2 Total	69.79%	72%	80%	63%		118%	57%	74%	64%									
1.3 Total	70.56%	99%				68%				101%	93%	85%	100%	108%	77%	110%		
1.4 Total	82.21%	98%	107%	98%	105%	150%	108%										162%	
1.5 Total	83.33%	92%	81%	119%	94%	84%	82%											
PA1 Total	76.89%	82%	89%	76%	94%	118%	86%	78%	94%	101%	93%	85%	100%	108%	77%	110%	162%	
2.1 Total	62.16%	52%			58%	60%	43%	50%	79%									
2.2 Total	31.22%	69%																69%
PA2 Total	56.40%	53%			58%	60%	43%	50%	79%									69%
PA3 Total	25.10%																	
Prog Total	67.84%	72%	89%	76%	79%	103%	77%	66%	90%	101%	93%	85%	100%	108%	77%	110%	162%	69%



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- employment)	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 receive an offer of employment	YEI-CR05 - Long-term unemployed participants who receive an offer of employment	YEI-CR06 - Long-term unemployed participants who are in education/training	YEI-CR07 - Inactive participants not in education or training who	YEI-CR08 - Inactive participants not in education or training who	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
	Target	Commit	Target	Commit	Target	Commit	Target	Commit	Target	Commit	Target	Commit	Target	Commit	Target	Commit	Target
1.1 Total	22%	29%	33%	34%	4%	5%											
1.2 Total					4%	5%	43%	50%									
1.3 Total							70%	54%	48%	32%	48%	36%	60%	67%	38%	38%	
1.4 Total	14%	22%	27%	28%											17%	11%	
1.5 Total	16%	28%	29%	36%											19%	20%	
PA1 Total	22%	26%	35%	31%	4%	5%	43%	50%	70%	54%	48%	32%	48%	36%	60%	67%	38%
2.1 Total					11%	11%									25%	24%	8%
2.2 Total																	75%
PA2 Total					11%	11%									25%	24%	8%
PA3 Total																	75%
Prog Total	22%	26%	35%	31%	9%	7%	43%	50%	70%	54%	48%	32%	48%	36%	60%	67%	38%



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 Q2 19	Actual to Q2 19	% achieved of overall target	% achieved to Q2 19
	M	668,560	580,639	328,312	357,082	53.41%	108.8%
	T	152,341	149,166	87,721	144,101	94.59%	164.3%
	L	19,518	11,515	6,872	4,033	20.66%	58.7%
	Total	840,419	741,320	422,905	505,216	60.11%	119.5%
ESF-CO03 - Inactive	CoR	Target	Committed	Committed to Q2 19	Actual to Q2 19	% achieved of overall target	% achieved to Q2 19
	M	414,355	313,644	180,625	136,972	33.06%	75.8%
	T	102,537	76,582	42,411	48,950	47.74%	115.4%
	L	18,644	9,264	5,982	3,860	20.70%	64.5%
	Total	535,536	399,490	229,018	189,782	35.44%	82.9%
O4 - Participants over 50 years of age	CoR	Target	Committed	Committed to Q2 19	Actual to Q2 19	% achieved of overall target	% achieved to Q2 19
	M	265,392	198,858	111,598	111,998	42.20%	100.4%
	T	74,713	57,794	30,520	40,220	53.83%	131.8%
	L	10,154	5,251	3,316	3,447	33.95%	104.0%
	Total	350,259	261,903	145,434	155,665	44.44%	107.0%
O5 - Participants from ethnic minorities	CoR	Target	Committed	Committed to Q2 19	Actual to Q2 19	% achieved of overall target	% achieved to Q2 19
	M	343,547	346,970	200,228	203,792	59.32%	101.8%
	T	42,485	41,556	23,093	25,314	59.58%	109.6%
	L	869	978	562	433	49.84%	77.0%
	Total	386,901	389,504	223,883	229,539	59.33%	102.5%
O6 - Participants without basic skills	CoR	Target	Committed	Committed to Q2 19	Actual to Q2 19	% achieved of overall target	% achieved to Q2 19
	M	245,113	164,076	97,874	111,965	45.68%	114.4%
	T	67,535	50,872	28,367	39,620	58.67%	139.7%
	L	8,246	2,037	1,105	1,652	20.03%	149.5%
	Total	320,894	216,985	127,346	153,237	47.75%	120.3%
ESF-CO16 - Participants with disabilities	CoR	Target	Committed	Committed to Q2 19	Actual to Q2 19	% achieved of overall target	% achieved to Q2 19
	M	290,379	223,107	127,825	140,591	48.42%	110.0%
	T	80,023	60,953	37,280	59,101	73.86%	158.5%
	L	12,473	6,412	3,974	3,862	30.96%	97.2%
	Total	382,875	290,472	169,079	203,554	53.16%	120.4%



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YEI-O10 - Long-term unemployed participants (YEI)	CoR	Target	Committed	Committed to Q2 19	Actual to Q2 19	% achieved of overall target	% achieved to Q2 19
	M		11,625	9,392	10,815		115.2%
	T		17,208	12,165	11,654		95.8%
	L						
	Total	28,830	28,833	21,557	22,469	77.94%	104.2%

YEI-O12 - Participants with disabilities	CoR	Target	Committed	Committed to Q2 19	Actual to Q2 19	% achieved of overall target	% achieved to Q2 19
	M		8,785	6,724	8,181		121.7%
	T		9,860	7,339	7,447		101.5%
	L						
	Total	24,310	18,645	14,063	15,628	64.29%	111.1%

YEI-O9 - Unemployed participants (YEI)	CoR	Target	Committed	Committed to Q2 19	Actual to Q2 19	% achieved of overall target	% achieved to Q2 19
	M		30,922	23,565	26,041		110.5%
	T		38,750	27,300	27,860		102.1%
	L						
	Total	81,650	69,672	50,865	53,901	66.01%	106.0%

YEI-O11 - Inactive participants not in education or training (YEI)	CoR	Target	Committed	Committed to Q2 19	Actual to Q2 19	% achieved of overall target	% achieved to Q2 19
	M		18,311	9,418	10,092		107.2%
	T		12,946	9,446	8,814		93.3%
	L						
	Total	28,830	31,257	18,864	18,906	65.58%	100.2%



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Results

R1 (u/e into employment)	CoR	Target	Committed	Actual
	M	15%	20%	18%
	T	16%	22%	17%
	L	14%	18%	40%
	Total Programme	22%	20%	18%

R2 (inactive into employment or jobsearch)	CoR	Target	Committed	Actual
	M	24%	26%	38%
	T	25%	24%	42%
	L	25%	22%	42%
	Total Programme	30%	26%	39%

YEI-CR03 - Unemployed participants who are in education/training, gaining a qualification, or in employment, including selfemployment, upon leaving	CoR	Target	Target Actual	Committed	Actual	Actual %
	M			15391	5703	
	T			20496	9168	
	L			0	0	
	Total Programme	48%	30047	35887	14871	49%

YEI-CR09 - Inactive participants not in education or training who are in education/training, gaining a qualification, or are in employment, including self-employment, upon leaving	CoR	Target %	Target Actual	Committed	Actual	Actual %
	M			7501	1527	
	T			4993	2634	
	L			0	0	
	Total Programme	33%	10546	12494	4161	39%

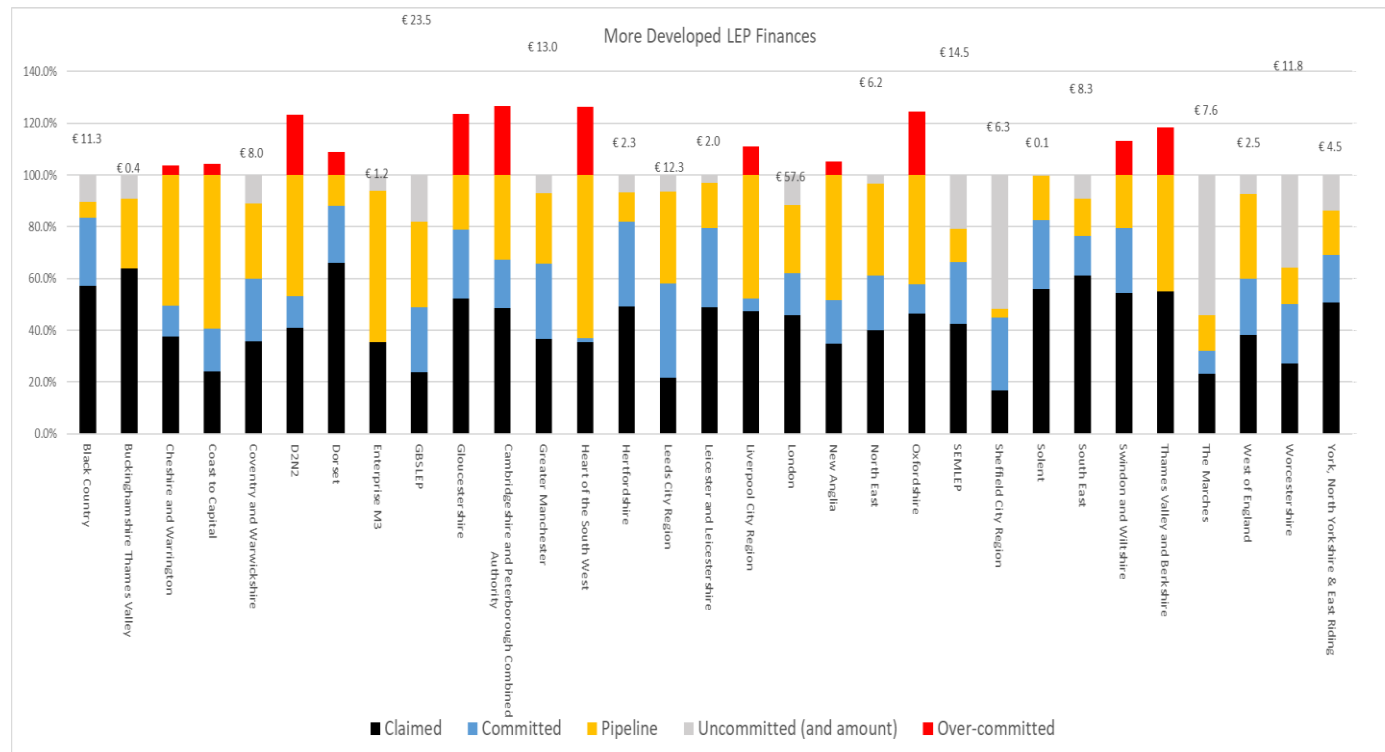
R3 (gaining Basic Skills)	CoR	Target	Committed	Actual
	M	7%	11%	5%
	T	8%	7%	5%
	L	7%	5%	11%
	Total Programme	7%	10%	5%

YEI-CR01 - Unemployed participants who complete the YEI supported intervention	CoR	Target %	Target Actual	Committed	Actual
	M			23818	10823
	T			29666	13297
	L			0	0
	Total Programme	70%	65326	53484	24120

YEI-CR07 - Inactive participants not in education or training who complete the YEI supported intervention	CoR	Target %	Target Actual	Committed	Actual
	M			11727	6423
	T			8007	5339
	L			0	0
	Total Programme	60%	19773	19734	11762

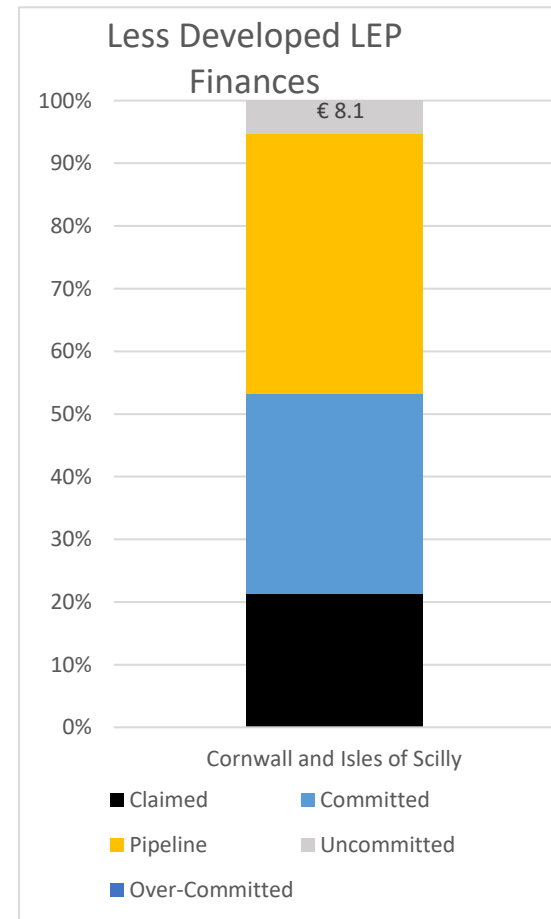
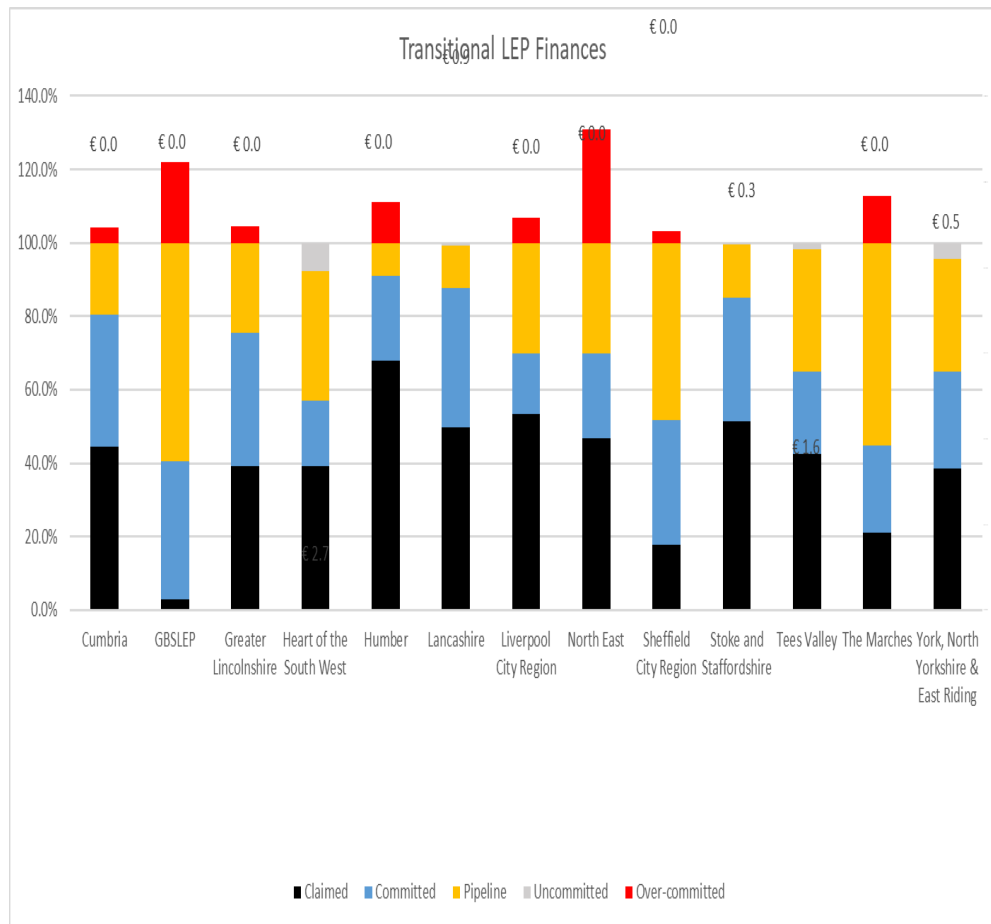


Annex C (i) LEP Spend, Commitment and Pipeline (% of Allocation) in More Developed Region





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





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

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ESI Funds Growth Programme Board

Progress on EAFRD Growth Programme

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:
<p>As at 4 November, under Rounds 1 and 2 of the RDPE Growth Programme, a total of £107m had been awarded in grants to 615 projects. Of this £107m, £51.5m had been paid out, contracting 3,782 FTE jobs of which 848 have already been created. The scheme remains on track to meet its job creation target of 4,075 by December 2020.</p> <p>The third round of calls under the RDPE Growth Programme opened for Expressions of Interest from Monday 4th November. This is a national-level call, offering a minimum of £35m to rural businesses.</p> <p>In addition, 22 contracts for funding totalling just over £77m have been awarded under the Rural Broadband Infrastructure offer.</p>



EAFRD GROWTH PROGRAMME UPDATE

1. As at 4 November, £107m of grant funding had been awarded to 615 projects under the first two Rounds of the RDPE Growth Programme. Of this, £51.5m had been paid to projects. The scheme is expected to meet its target of creating 4,075 jobs by December 2020. To date, 3,782 FTE jobs have been contracted and 848 created.
2. From the first round of calls in 2015, 84 projects have now completed all activity, confirming the creation of 189 FTE jobs so far from an EAFRD investment of £9m. Under the second round of calls, opened in 2017, the RPA received 1,864 Expressions of Interest (EOI), requesting funding of £341m. Invitations to submit a Full Application were issued to 805 applicants for funding totalling £156m. So far 790 projects have submitted Full Applications for funding totalling £148m, with 531 projects so far securing grant offers worth £97m. Outstanding applicants are being encouraged to submit their Full Application by the end of December 2019.

Rural Broadband Infrastructure Fund

3. The budget for the Rural Broadband Infrastructure Fund has been increased from £75m 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. Projects are mostly now in the delivery phase, with the first claims expected in December 2019 and January 2020.

New Calls

4. The third round of calls under the RDPE Growth Programme opened for Expressions of Interest from Monday 4th November. Unlike previous rounds, this is a national-level call for projects, although separate but parallel arrangements are in place for Cornwall and the Isles of Scilly, reflecting its Less Developed Region status.
5. Overall, a minimum of £35m is available to rural businesses, with the final total amount being determined once all outstanding Round 2 Full Applications have been received and appraised. Grants from £20,000 to £180,000 are available for rural Tourism Infrastructure and rural Business Development projects. Food processing projects are able to apply for grants from £20,000 to £750,000.



6. In addition, for this funding round of the Growth Programme, the threshold for minimum grants has been reduced from £35,000 to £20,000 meaning that more small or micro-businesses can be eligible for grants.
7. Businesses have until Sunday 16 February 2020 to submit an Expression of Interest, with eligible projects being asked to submit a Full Application for consideration at one of the three decision rounds to be held next summer and autumn. In line with the Government's ESIF funding guarantee, all grant awards will be contracted by end December 2020.
8. So far, 68 Expressions of Interest (EoI) have been received seeking £8.3m, as shown below. RPA is assessing EoIs as they are received and will work with LEP area ESIF Sub-Committees to get their advice on the local strategic fit of projects.

Theme	Number of applications flag	Grant amount requested
Processing and Marketing of Agricultural Products	16	3,735,080
SME Support	36	2,881,829
Tourism	16	1,730,085
Grand Total	68	8,346,995

9. As with Round 2, Defra is making funding available for enable workshops to be held in each LEP area, if required. These will bring potential applicants together to provide advice and support around the preparation of an Expression of Interest and is expected to result in stronger applications coming forward.

Tony Williamson**22 November 2019**



ANNEX 1

Table 1. Growth Programme round 1 and 2 number of projects, funding committed and spend by theme as of 4th November 2019.

Theme/Measure	No. of Projects	Funding Committed £m	Spend to Date £m
Food Processing (M4.2)	135	43	25
Business Development (M6.4)	372	42	21
Tourism Infrastructure (M7.5)	95	21	5
Tourism Cooperation (M16.2)*	13	0.77	0.49
Total	615	107	51.5

*Theme offered in Round 1 only.

Table 2. Rural broadband infrastructure offer.

As at 4 November	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)	77.2
Value of grant paid to date (£m)	-
Number Projects closed	-



Table 3. Project outputs to date by theme.

2015 & 2017 offers	RDPE Growth Programme	Food Processing	Business Development	Tourism Infrastructure and Cooperation
FTE Jobs Forecast	3,782	1,788	1,241	753
FTE Jobs created	848	383	329	136

Figure 1. Growth Programme Rural Broadband Infrastructure Scheme and round 1 and 2 allocation, contracted and spend actual figures 4th November 2019.

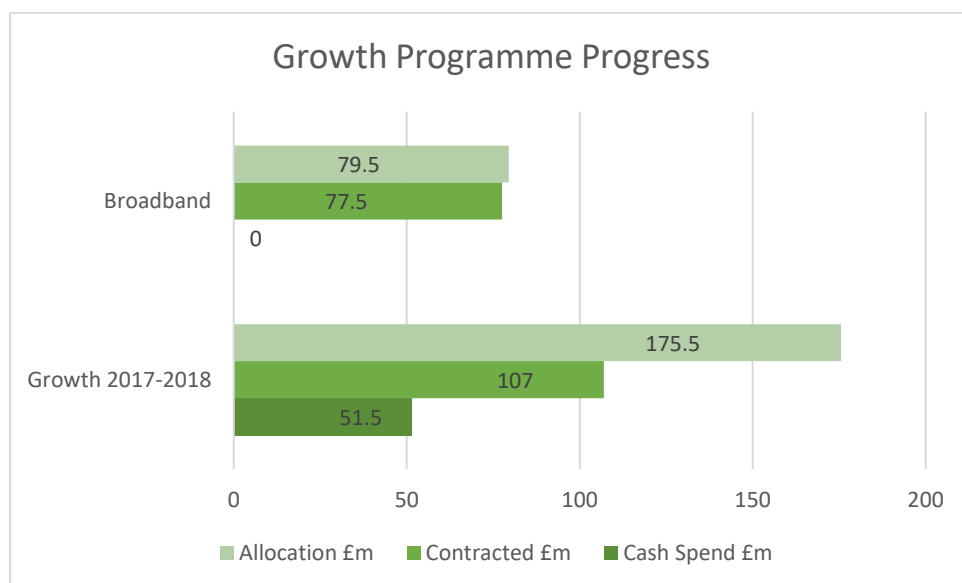




Table 4. Growth Programme LEP Allocation and Spend for Round 1 and 2 (as at 25th November 2019).

LEP	Indicative Allocation	Contracted	Spend to Date
Buckinghamshire Thames Valley	£1,584,177	£837,998	£383,554
Cheshire and Warrington	£2,492,600	£2,650,930	£1,289,961
Coast to Capital	£3,835,682	£3,299,306	£1,783,159
Cornwall and the Isles of Scilly	£9,396,623	£5,169,720	£2,825,788
Coventry and Warwickshire	£2,730,498	£2,491,753	£1,597,385
Cumbria	£7,755,077	£4,439,861	£1,741,183
D2N2	£5,523,249	£1,858,299	£1,113,981
Dorset	£3,020,337	£1,493,537	£358,367
Enterprise M3	£4,466,791	£1,349,868	£574,281
Gloucestershire	£2,893,392	£2,532,721	£1,207,341
Greater Birmingham And Solihull	£1,141,193	£921,811	£440,731
Greater Lincolnshire	£8,782,191	£5,810,533	£1,178,132
Greater Manchester	£419,593	£417,890	£3,425,063
GCGP	£7,395,748	£2,311,112	£76,722
Heart of the SW	£15,540,333	£12,819,925	£3,297,363
Hertfordshire	£1,520,761	£479,075	£290,567
Humber	£2,141,264	£1,872,686	£991,908
Lancashire	£4,290,283	£2,850,035	£1,662,846
Leeds City Region	£5,232,974	£794,993	£218,583
Leicester and Leicestershire	£3,059,220	£1,814,537	£1,020,220
Liverpool City Region	£339,995	£206,393	£28,978



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New Anglia	£13,015,876	£9,452,387	£3,642,129
North Eastern	£10,489,904	£5,177,156	£2,782,727
Oxfordshire	£2,793,225	£1,061,936	£276,321
Sheffield City Region	£3,018,769	£1,322,904	£841,290
Solent	£1,412,647	£721,099	£266,616
South East	£14,467,947	£12,542,493	£7,459,880
South East Midlands	£6,506,432	£3,550,518	£1,998,669
Stoke and Staffordshire	£3,126,716	£914,837	£366,624
Swindon and Wiltshire	£3,900,654	£937,202	£359,179
Tees Valley	£1,100,854	£1,046,374	£677,614
Thames Valley Berkshire	£1,125,081	£251,032	-
The Marches	£7,457,814	£6,870,529	£3,965,436
West of England	£1,431,451	£1,518,663	£357,615
Worcestershire	£2,242,595	£1,978,376	£1,225,590
York and North Yorkshire	£9,848,056	£9,329,479	£3,964,082
Total	£175,500,002	£113,097,966	£53,689,882

**ESI Funds Growth Programme Board****European Maritime & Fisheries Fund (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 1,509 core projects approved with an EMFF grant value of over £47m.

1. There continues to be good take-up of the EMFF in England, with 1,509 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 £120m with EMFF grant of over £47m and National match of over £11.5m.
2. There are also 304 pipeline projects which are with MMO and progressing through the various stages of the process with an EMFF grant value of £4.9m. There has been almost £26m EMFF paid out to applicants in the core scheme as of 31 October 2019.
3. The popular areas for funding remain:
 - Health and safety – equipment and on-board vessel investments (472 projects attracting £2.7m 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 (99 projects, £11.3m EMFF);
 - Investments in aquaculture – new units, diversification of production and species, modernisation of existing units (34 projects, £2.1m EMFF);
 - Promotion of human capital – job creation, improving social dialogue, training (17 projects, £1.8m EMFF);



- Protection/restoration of marine biodiversity and ecosystems – collection of waste, Natura 2000 sites, increasing environmental awareness (66 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 fully 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 Maritime and Fisheries Fund (MFF), which is administered through the Fisheries Block Exemption Regulation, went live for applications from private enterprises on 24 October 2020. The Grants Team are presently managing the migration of approximately 300 applications originally submitted under EMFF into the new scheme.
6. Achieving EMFF spend targets remains a priority for The Grants Team, who continue to review live EMFF projects and contact applicants to ensure that their spend is forthcoming and in line with forecast claim schedules.
7. With insufficient EMFF funds available to approve all pipeline applications from Public Bodies, work is underway to identify those approved projects that will no longer take place or are likely to complete for less than the initial amount offered. This will allow the team to free up funds that can be recycled against pipeline applications, to maximise utilisation of the EMFF budget.
8. Uncertainties surrounding timeframes for Brexit continue to present issues for the team. The processes and systems to adopt for each outcome, including a no-deal scenario, have now been developed and User Acceptance Testing is underway to ensure a smooth transition in every eventuality.

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

9. 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