



European Union

European Structural
and Investment Funds

GPB 20200623 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

1. ERDF Programme Delivery

Purpose:

To advise the board on progress with European Regional Development Fund (ERDF)
Programme delivery to 31st March 2020.

Recommendation(s):

That the Growth Programme Board note the current position.

Summary:

The overall Sterling value of the Programme has been revalued to £3,233m. This is a reduction of £63m from £3,296m.

Overall Progress on Contracting; 853 projects (inc.11 financial instruments (FIs) with ERDF of £2,256m have been contracted. This represents 70% of the programme budget. This is an increase of 31 contracted projects (£71m ERDF) compared to the previous quarter.

There are 531 pipeline applications (inc.1 FI) with ERDF of £875m. This pipeline is a further 27% of the programme budget. The decrease of 93 since the previous quarter is mainly due to projects progressing to contracted either as a new project or an uplift to a current project.

Adding contracted projects with those in the pipeline, represents 97% of the programme budget. By Category of Region this is Less Developed 108%, Transition 94% and More Developed 96%.

Overall Progress – Expenditure; Cumulative claims paid by the Managing Authority (MA) to grant recipients total £1,047m ERDF, an increase of £120m from the previous quarter.

2023 Performance Framework Targets - Exp /Outputs; Steady progress is being made. There are sufficient applications in the pipeline for the 2023 targets to be met.

N+3 Target; As at 31st March cumulative ECPAs are now valued at €1123m against the 2020 target of €1340m.

See Annex B for high level programme dashboard



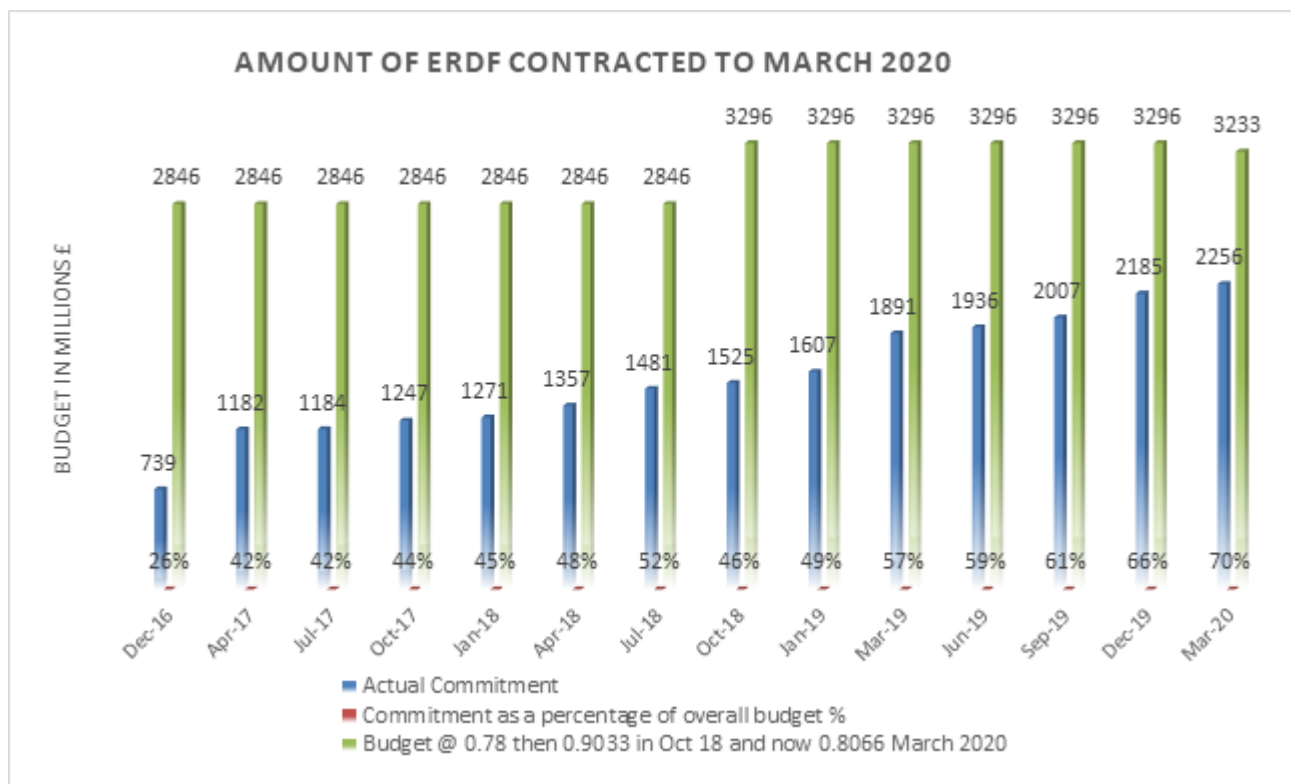
Note a supplementary presentation will be provided to the GPB to update on the position due to the government's Covid 19 response

Programme Value and Targets

1. The value of the programme ERDF only is €3,649m with the Sterling value modified to £3,233m. Instead of a single foreign exchange rate being used the sterling budget is now based on drawdown from the EU and forecast exchange rates up to the end of 2023. The forecast rate is provided by Finance using the Bank of England spot rate with additional reference to HMT's forecasts.
2. The ERDF+Match Programme (total eligible expenditure value is €6,572m. Using a weighted average exchange rate of €1 = £0.8806, this values the Programme at £5,301m. The 2023 Performance Framework expenditure 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. The impact of a further programme modification will be reflected in next quarter's reports

Programme Budget & Contracting

6. The chart shows the amount and % of ERDF that has been contracted over time to March 2020. There has been a significant increase in commitment compared to the same time last year, increasing from 49% to 70% of the programme value.
7. The contracting of projects has been a priority, with 531 applications currently in the system.



8. As at 31st March, 70% of the ERDF allocation (inc. FIs) has been contracted. By category of region this is Less Developed 77%, Transition 67% and More Developed 69%.

Category of Region	Allocation £m	Commitment £m (inc. FIs)	Commitment %	Commitment & Pipeline £m	Commitment & Pipeline %
Less Developed	£419	£324	77%	£451	108%
Transition	£965	£648	67%	£907	94%
More Developed	£1,850	£1,285	69%	£1,722	96%
Total	£3,233	£2,256	70%	£3,131	97%



9. The table shows the position including the pipeline. Including the current pipeline LD is 108%, T is 94% and MD is 96% making an overall total of 97%.

10. Pipeline projects will progress through to commitment as applications are processed, currently 531 applications which includes the June Call applications.

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 2020 is €1340m. 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 2020	Less Developed	Transition	More Developed	Total
N+3 target for payment claims (€m)	€ 168	€ 396	€ 776	€ 1340
Less Payment applications submitted to the Commission at relevant exchange rate	€ 184	€ 331	€ 609	€ 1123



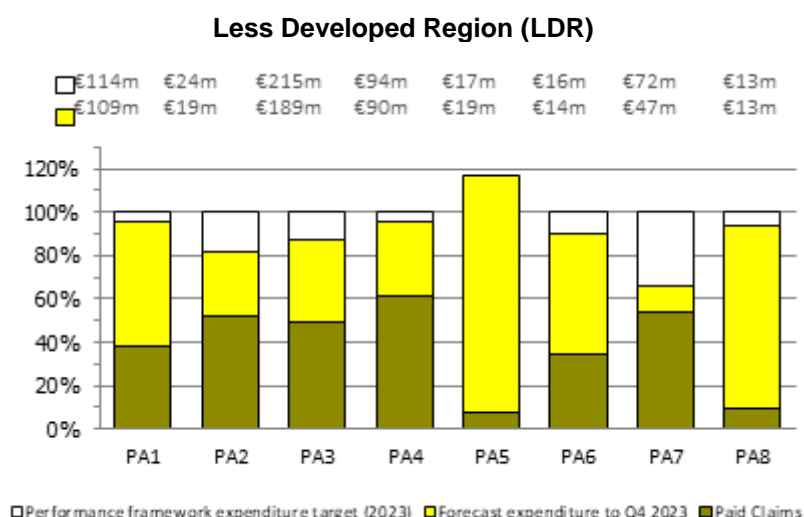
Current gap (€m)	+€15	-€65	-€167	-€216
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17. The CA will be submitting a further ECPA in May. As at 31st March cumulative ECPAs are now valued at €1123m (83%). The unofficial MA position is €1352m (101%) with no discounts for irregularities (based on claims paid by the MA, not all of which will be available to the CA to certify).

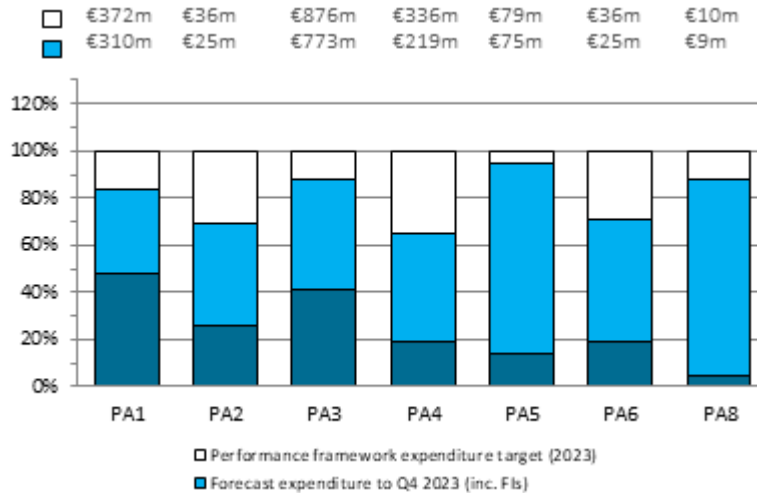
2023 PF Expenditure targets including paid claims (€m) by Priority Axis across each of the Category of Regions from contracted projects

18. Contracting progress by Category of Region is steady on all the Priorities, and with the exception of PA2 and PA6 MD all Priorities have now contracted over 60% of their allocation.

19. Covid-19 will undoubtedly have an impact on the progression of pipeline projects going forward which will be under ongoing monitoring and Policy development.

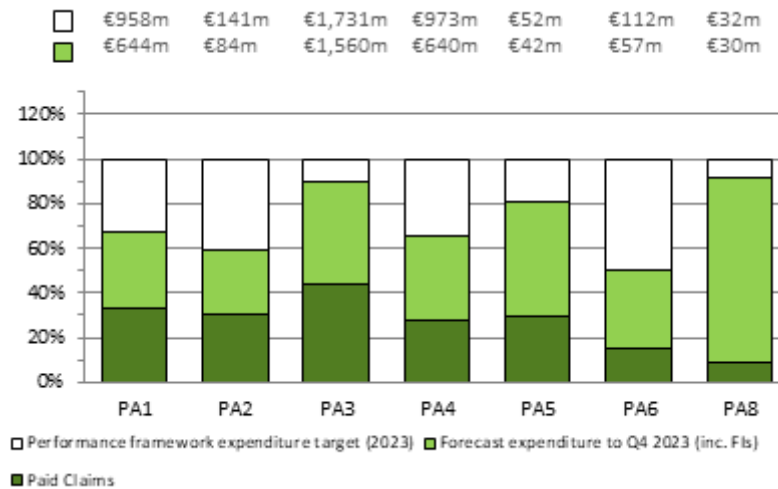


Transition Regions (T)



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More Developed Regions (MDR)



PA1

20. Less Developed; Excellent progress made on contracting the PA1 Less Developed ERDF allocation - this now stands at 96%, and should increase further with the outline and full applications submitted. 38% of the 2023 target has been achieved so far, which is satisfactory progress this far out from the end of the Programme. There are no areas of concern. There is approximately £13m of ERDF about to be contracted or going through the application process.



21. Transition; 83% of the Transition target has been contracted which indicates good progress. There is a further £58m in applications in the system which should improve the position further. Transition is the strongest of the CoRs in terms of achievement, with 48% of the target reached. This is satisfactory at this stage of the programme. No areas of concern.

22. More Developed; Progress in contracting MD PA1 ERDF is slow with only 67% of the allocation contracted. However, there is a further £134m in applications being processed which will help to improve the figure. MD is slightly behind the other CoRs with 33% of the target actually spent, but there is a strong pipeline of claims which will improve the position. There has been a high degree of slippage in PA1 projects which is reflected in the slower progress in achieving expenditure targets. There are different reasons for this across the various types of projects, but GDTs are taking under-performance action where required.

PA2

23. Less Developed; Progress continues to be made against the LD 2023 PF target with the sum of contracted and pipeline set to achieve 101% of the allocation. Slippage in infrastructure projects continues and remains a risk that could impact on projects' ability to fully deliver. Close monitoring of the infrastructure project continues to ensure infrastructure deployment completes to target.

24. Transition; Projects at all stages in the T CoR show the potential for 95% commitment levels to be achieved but noting 36% of CoR is pipeline and therefore subject to attrition. Projects are continuing to deliver broadly to expenditure profiles. The pipeline looks more positive following the June call, however there is insufficient headroom to make up any shortfall should the pipeline activity not reach delivery stage.

25. More Developed; Following the June 19 call, projects across all stages in the MD CoR show a total of 95% against the allocation. However, attrition at outline state could reduce this to circa 85%. Early stage project delays and adaptation to take into account BDUK Gigabit grant availability resulted in slippage of expenditure. Projects are now recovering and delivering to forecast. The pipeline has started to look more positive following the June call with activity now set to meet the PF targets. There are still concerns regarding the eligibility of some outline stage project which if do not proceed would reduce commitment levels to 85%.

PA3

26. Less Developed; Positive progress for the LD COR continues to be made against the 2023 financial PF target with 87.6% of Total Eligible Expenditure legally committed (76.5% of ERDF). With £47.46m of ERDF in the pipeline, which reflects



an overcommitment of 107% of ERDF although it is will lower as applications progress within the pipeline. At this stage of the programme, positive progress continues to be made with 49% achieved against the 2023 financial PF target based on actual claims made to date.

27. Transition; Although the Transition COR is slightly behind the other CORs, positive progress continues to be made against the 2023 financial PF target with 88% of Total Eligible Expenditure legally committed (67.2% of ERDF). With £129.55m in the pipeline, this reflects 95% committed to date. At this stage of the programme, positive progress continues to be made with 41% achieved against the 2023 financial PF target based on actual claims made to date.

28. More Developed; Positive progress for the MD COR continues to be made against the 2023 Financial PF target with 90% of Total Eligible Expenditure legally committed (76.6% of ERDF). With £177.38m of ERDF in the pipeline, this reflects 99.7% committed to date. At this stage of the programme, positive progress continues to be made with 44% achieved against the 2023 financial PF target based on actual claims made to date.

29. Overall for PA3 due to the impact of COVID 19, we anticipate that there will be a dip in some project performance, in particular those who are co-financed by the private sector or SME contributions. Capital projects have had to cease project activity due to the lockdown. However, as the majority of revenue projects are supported by public resources under PA3, they appear to be adopting a “business as usual” approach and adapting how they deliver business support in the current climate through virtual means. Dependent on the project offer, in some cases projects demand for support is at an unprecedented level (in particular Growth Hubs and those projects which are able to provide business resilience / survival advice as well as those which offer support to adopting innovation and diversification to respond to those demands due to the COVID 19 impact in particular the health sector supply chain - this has also been facilitated through re-purposing of projects. We anticipate at the end of Q2 2020, we will start to get a better appreciation of the impact on live projects.

PA4

30. Less Developed; PA4 in Cornwall has shown a strong pipeline of energy-based projects and the last call continued this theme with an over commitment to the call, but it's taken time to get the projects through as energy projects are often challenging. One large P4 project was withdrawn last year but despite this, Cornwall is realising a reasonable amount of claims. Cornwall has a strong pipeline of projects at outline, which will need to be managed as it exceeds their allocation.

31. Transition; Contracting has had a higher incidence here as there are far fewer SUD areas in transition. Actual expenditure is low as it may be that it has taken time



to fully work up the projects once contracted, for example the very large SUD project in Liverpool which has £8million of ERDF has taken time to fully engage.

32. More Developed; This has been slow due to delay in SUD's but has picked up more in recent Calls. The level of actual expenditure reflects the delays in bringing projects forward through the SUD process. On focus on bring claims through is needed in this area.

PA5

33. Less Developed; There are a small number of PA5 projects supporting the PF target, and the EA & Cornwall Council have worked to bring these forward to meet local demand. The actual expenditure is low as it can take a long time to finalise a flood scheme once contracted as the Environment Agency business cases need to be managed. Maintaining the existing portfolio should deliver the expenditure and outputs.

34. Transition; The number of projects brought through has been quite healthy and a great deal of work has been undertaken with the EA to achieve this. As with the other areas there is a lag between contracting and delivery on the ground due to the need to take the proposal through the EA's business case to define the best possible flood protection solution.

35. More Developed; There has been greater number of projects coming through Leeds City Region who have also taken additional money from the North East. This is relatively low as many of the schemes have only recently been contracted.

PA6

36. Less Developed; Overall there may be an under performance depending whether there is a future call for the remaining funding. The work can be very seasonal due to working to develop habitats and a project contracted at the wrong time of year due to delays can impact the expenditure profile.

37. Transition; There is a strong pipeline of projects at outline and full application to support delivery.

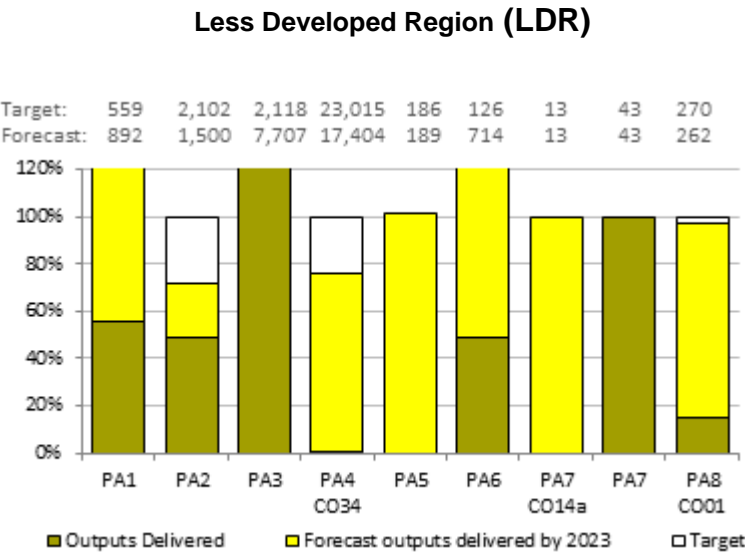
38. More Developed; As in PA4, a significant amount of this funding was linked to the SUD and the delays have impacted on the number of projects coming through. This reflects the delay in bringing projects forward. It will not fully meet the PF target for expenditure.



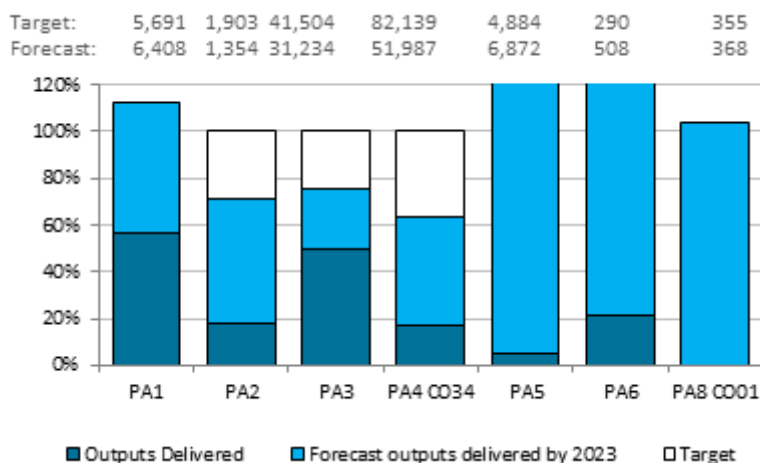
PA7

39. Less Developed; Good progress has been made against the PF target with the projects contracted and in the pipeline are expected to achieve the PF target.

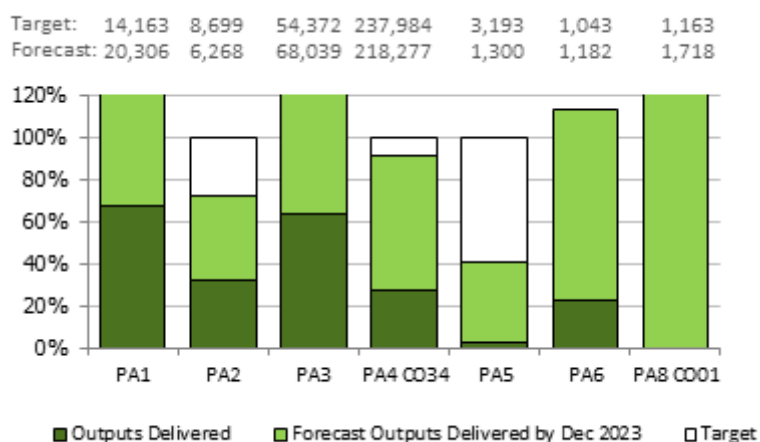
Forecast Delivery of Performance Framework Outputs as % of 2023 target by Priority Axis across each of the Category of Regions, from contracted projects



Transition Regions (TR)



More Developed Region (MDR)



PA1

40. Less Developed; Contracted outputs now stand at 160% of the target which is excellent progress and reflects the high levels of ERDF which have been contracted. Strong delivery - more than half (56%) of the contracted outputs have already been achieved.

41. Transition; Solid progress has been achieved with 112% of the output target achieved. 57% of the PF target has been achieved which is satisfactory at this stage of the programme.



42. More Developed; The outputs position is stronger with 143% of the target contracted. Actual outputs are in a strong position at this point in the programme with 68% of the target achieved.

PA2

43. Less Developed; The LD COR is profiled to achieve 97% of the 2023 PF target when including activity currently being contracted. Output delivery continues to be steady and broadly on target. Outputs continue to be delivered to profile. As with the expenditure, close monitoring is needed to ensure output delivery is maximised.

44. Transition; Following the June 19 call a strong pipeline of C1 has been built showing 119%. Excluding outline stage applications, sufficient headroom exists to achieve the target in the T COR. Outputs continue to be delivered to profile. The pipeline has started to look more positive following the June call with activity now set to meet the PF targets with sufficient headroom for attrition. The non-performance outputs C5 (new enterprises supported) and P4 (additional businesses taking up superfast broadband) for 2023 will not to be achieved and this has been reported in the AIR.

45. More Developed; Following the June 19 call a strong pipeline of C1s has been built showing 110% of the MD CoR target. Early stage project delays and adaptation to take into account BDUK Gigabit grant availability resulted in slippage of outputs. Projects are now recovering and delivering to target. The non-performance outputs C5 (new enterprises supported) and P4 (additional businesses taking up superfast broadband) for 2023 will not to be achieved and this has been reported in the AIR.

PA3

46. Less Developed; LD COR has already legally committed in excess of the 2023 non-financial PF target with 364% of C1s committed to date. LD COR has already exceeded their non-financial 2023 PF target.

47. Transition; Transition COR has legally committed 75% of its 2023 non-financial PF target and it is anticipated that it will exceed this target based on the current pipeline. Transition COR does appear to be slightly behind the other CORs but at this stage of the programme has achieved 50% of the 2023 non financial PF target and at this stage of the programme we anticipate will continue to progress positively

48. More Developed; MD COR has currently committed in excess of its 2023 non-financial PF target with 125% of C1s committed to date. It is anticipated that with the



current pipeline of projects will continue to contribute significantly to this target. MD COR has made positive progress achieving 64% of the non-financial PF target

PA4

49. Less Developed; There are number of potential outputs at outline and these will need to be reviewed once a decision has been made on which projects to progress. As stated, Cornwall has a large number of energy projects and these can often deliver less greenhouse gas reductions than other interventions, but local renewable energy is a priority in Cornwall. The level of actual outputs needs to be reviewed.

50. Transition; The outputs are on track as there is still a significant number of projects at outline and full application. A similar issue with More Developed it can take time to realise the outputs.

51. More Developed; There is a high level of outputs contracted. There is clearly a lag in claiming the outputs partly due to the delay in bringing projects forward through the SUD calls but also a timing issue. Some large projects such as heat networks can only claim the outputs when the project is complete.

PA5

52. Less Developed; Less Developed is on track to meet the targets as once contracted the outputs are essentially fixed. The outputs are low as they generally can only be claimed fully once the scheme or parts of the flood scheme have been completed.

53. Transition; This is being significantly exceeded and will be delivered. There is a lag in achieving these as detailed in MD.

54. More Developed; Its unlikely that More Developed will meet the output target as the schemes that have been brought forward, while vital to protect SME's and property haven't got the intensity of SME's and property needed. This is low mainly due to the lag in being able to claim the outputs and also More Developed will not meet the Performance target hence lower numbers coming through.

PA6

55. Less Developed; This is comfortably being delivered mainly through one large project.

56. Transition; The output target should be delivered.



57. More Developed; The output target despite the reduced expenditure should be delivered.

58. In all CoR there is a delay in actuals coming through as the works need to be fully completed prior to claiming the output.

PA7

59. Less Developed C14a; Nil contracted to date - Major Project Application submitted to the EC and the application is in review with the EIB.

60. Less Developed P7; Target and actual 100% achieved.

PA8

Please see CLLD report below_

Programme call schedule

61. Since June 2019, there have been no all Programme call windows. However, a series of independent calls have been launched. Five Sustainable Urban Development calls have been launched for the areas of Leeds City Region, D2N2, North East and Greater Birmingham and Solihull. In addition, two Intermediate Body calls have been launched for Cornwall and the Isles of Scilly. In total these calls had a value of £51,147,556. A number of these calls were extended regarding time duration to account for COVID-19 challenges.

Sustainable Urban Development (SUD)

62. Overall performance across the nine SUD areas, to 31 March 2020:

	£	% (SUD allocation)
ERDF contracted to live projects	£204,635,304	71%
Applications in the system	£63,231,662	22%
Balance remaining	£21,639,100	7%
Total SUD value	£287,506,066	100%



63. The level of ERDF committed to live projects has increased to 71% of the SUD allocation since the last Growth Programme Board report (an increase of 4%). There is an EC regulatory requirement that at least 5% of the ERDF resources allocated at UK level are committed to SUD. Currently 79% of the 5% target has been achieved. This increases to 103% with pipeline applications (although there will inevitably be attrition).

64. SUD calls are open in four areas (North East, Greater Birmingham and Solihull, Leeds City Region, and Bristol) and close by the end of June. The table below shows a snapshot of progress by SUD area at 31st March. Application of the updated exchange rate shows that some areas are showing an over-commitment on paper.

SUD area	ERDF allocation	Live projects	% live	Pipeline			Available to commit
				outline application	full application + funding agreement	% live + pipeline	
Nottingham	£11,132,812	£2,818,520	25	£8,635,421	£0	103	-£321,129
Greater Birmingham and Solihull	£11,518,229	£0	0	£7,531,157	£717,085	72	£3,269,987
Greater Manchester	£23,860,455	£13,477,043	56	£0	£0	56	£10,383,412
Leeds City Region	£17,676,052	£8,015,899	45	£4,351,992	£698,195	74	£4,609,966
Liverpool City Region	£11,018,516	£10,608,255	96	£0	£340,388	99	£69,873
London	£180,753,522	£153,650,698	85	£0	£30,022,490	102	-£2,919,666
North East	£19,087,220	£6,797,511	36	£600,000	£7,572,821	78	£6,116,888
Sheffield City Region	£9,429,080	£9,267,378	98	£0	£0	98	£161,702
Bristol	£3,030,180	£0	0%	£1,904,583	£857,530	91	£268,067
	£287,506,066	£204,635,304	71%	£23,023,153	£40,208,509	93%	£21,639,100

65. 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

66. To 31st March 2020, 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%	41.8% (£168m)
	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%	27% (£37.8m)
	Greater Manchester Fund of Funds - Urban Development Fund	Urban Development & Energy Efficiency (22/11/2016)	Greater Manchester Combined Authority	£60m	£60m	£120m	25%	18.1% (£21.7m)
	Midlands Engine Investment Fund	Access to Finance (28/04/2017)	BEIS (BBB)	£78.5m	£187.6m (EIB £122.50m)	£266.1m	50%	25.5% (£67.8m)
	Cornwall & Isles of Scilly Investment Fund	Access to Finance (01/01/2018)	BEIS (BBB)	£32m	£8m	£40m	25%	10.2% (£4.1m)



	Mayor of London Energy Efficiency Fund	Urban Development & Energy Efficiency (01/06/2018)	GLA procuring Fund Managers	£43m	£43m	£86m	75%	46.6% (£40.1m)
	London SME Fund	Access to Finance (01/06/2018)	Funding London	£35m	£65m (EIB £50m)	£100m	25%	6.9% (£6.9m)
	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		

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

68. Both the Liverpool Urban Development Fund and the Low Carbon Innovation Fund II have now drawn-down their first tranche:

1. Liverpool Urban Development Fund – £6.25m ERDF
2. Low Carbon Innovation Fund II – £2.82m ERDF

69. The Cheshire & Warrington Urban Development Fund will draw-down their first tranche in May 2020 (ERDF £5m) and the Lancashire Urban Development Fund will draw-down in June 2020 (£3.75m ERDF)



Community-Led Development (CLLD) Priority Axis 8

66. ERDF CLLD delivery has slowed as a result of COVID19 impact. ERDF contract managers are working with and considering requests from CLLD projects in response to the published ERDF Question and Answer flexibilities. CLLD Accountable Bodies have welcomed the flexibilities set out in the Q&A particularly in respect of outputs, claims payment and use of electronic signatures. Some CLLD projects are already looking creatively at how CLLD may support recovery – no definitive proposals have been made as yet.

67. The ERDF Managing Authority has been notified by Leeds City Council that the Leeds West CLLD project has been formally withdrawn - this is not unexpected. The MA and the Council are satisfied that every effort has been made and over some time to make the project work, however local engagement, demand and match funding constraints could not be overcome. The Accountable Body and MAs will share lessons learned.

Compliance

68. As agreed all compliance visits ceased at the end of March. However, the team had ensured that the minimum coverage agreed with the Commission had been achieved in all parts of the programme. This should enable the annual control report to be approved with respect to compliance. The testing schedule for the rest of the year has been revised to enable minimum coverage to be reached when activity is resumed.

ECPA year	Percentage tested at OTSV	LD tested %	T Tested %	MD tested %
2019-2020	25%	32%	22%	24%

Cross cutting themes **Sustainability**

69. The role of the Cross-Cutting theme has changed in recent years as there is a growing awareness of climate change and wider sustainability as consumers and



customers demand higher level of environmental awareness from companies. This has been reflected in the ERDF programme with a substantial level of funding allocated to low carbon and the inclusion of resource efficiency in Priority 3.

70. Within Priority 3 the CCT has been particularly focused on supporting activity in the delivery of ERDF and not on the actual applicants delivering the support and has raised the profile of resource efficiency and the benefits it can bring to SME's. In PA 5 the use of CEEQUAL has been limited, as the Environment Agency's process incorporates a high level of sustainability in its appraisal and reducing additional costs and administration should also be the goal while maintaining a high level of sustainability.

Equality & Diversity

71. The response to the COVID-19 crisis has created significant challenges affecting the way in which the European Structural and Investment Funds programmes are being delivered; MHCLG and DWP are committed to working flexibly and pragmatically to respond positively to the challenges we face but the ability to physically attend meetings is one of those impacts.

72. National Sub-Committee meetings were held on the 29 October 2019 and 17 February 2020. In response to the point raised at the September 2019 GPB (Action 1909/01) around Equality Data/Reporting and the layers of detail GPB are asking to consider reporting against, a sub-group was established to discuss and review what is, or is not, possible. An Action Point was raised to arrange a call to discuss the ERDF Equalities MI Data between interested parties. This took place on 16 December 2019 and at the 17 February 2020 National Sub-Committee it was reported that:

- ERDF MA has started providing some Equality and cross-cutting themed (CCT) data to GPB, confirming that projects are providing data which is being consolidated by the MA;
- It is recognised that Equality as a theme needs to be strengthened in ERDF; evaluations have been conducted with a view to identifying good practice. This will be used to inform future project-level evaluations and inform the development of a domestic successor programme.
- ERDF has also created several case studies, that could be developed into good practice.
- ERDF have openly stated that their aspect can be strengthened going forward; they have agreed that a marker needs to be put down for successor programmes to ensure greater consideration is given to integrating and evaluating the Equality theme.



- Local or devolved partnerships involve appropriate local Equality partners in the development and monitoring of local programmes. Local partners would additionally need to consider what management information, data collection and monitoring arrangements are implemented at local level to inform their local perspective.

73. Lessons Learnt and Future Funding; A meeting was arranged for March 2020 in Sheffield to discuss lessons learnt and how to inform future funding programmes greater incorporation of equality, unfortunately this has been postponed until further notice due to the COVID-19 crisis.

AUDIT - A127 progress

74. The 2018 - 2019 Annual Assurance package was sent to the Commission on time with no adverse comment received. The Annual Control Report written by the Audit Authority provided a finalised error rate of 1.677%, below the Commission's 2% threshold. Two audits contributed significantly to the error rate which somewhat distorts the overall picture. The ACR concluded that there were no systemic issues.

75. Lessons learned work has been undertaken, looking in depth at one of the audits which contributed heavily to the error rate and having regular conversations with the Audit Authority around issues such as the time taken to issue audit reports, how we manage joint submission to legal and the intensity of the systems audit schedule. A revised and reduced systems audit schedule has been issued recognising this experience and impact of COVID-19.



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 continue to actively encourage their LEP areas to expedite the design of Calls to draw on the ESF Reserve Fund.

Members are additionally asked to note that this abridged paper contains a high level summary of key issues and performance against key indicators. Further detail on the MA's initial and mid-term responses to the COVID-19 crisis can be found in the accompanying slide decks.

Summary:

(N.B: The position at the last report, with ESF data to 01 February 2020, is shown in brackets for ease of comparison).

The level of ESF commitment at 1st June was £2.304 billion (£2.176 billion), 75.91% (71.7%) against the total allocation

There are 6 live calls on GOV.UK to the value of £6.9 million, with the final closing date currently 30 June. All live calls will remain open until their current closure date and may be extended as required. We have also offered additional support to organisations encountering difficulties developing applications or who require more time to submit them for appraisal.



At the point of drafting this report there are 236 applications in the appraisal pipeline, with a total value of £571 million. Of these, 64 are currently being actively appraised, with a further 16 at various stages of consultation with their ESIF Committees. This makes a total of 80 active applications at different stages in the appraisal process. Granular detail of the appraisal pipeline is provided later in the report. We have corresponded with the applicants on all outstanding appraisals, to determine how COVID-19 might impact on their ability to continue with the iterative appraisal process. Some applicants are yet to respond, but the general response to date is that most applicants are in a position to continue.

Progress towards the 2020 N+3 target is strong with early indications showing that, if performance continued at the current claim rate of 91.94% (ESF only), we would remain on track to receive sufficient value from the Quarter 2 2020 claims to achieve the target. However, COVID-19 will impact this position. While we cannot yet be clear on the full impact of COVID-19, we anticipate the following risks:

- Claims currently with the Managing Authority (MA) cannot be progressed as we are unable to obtain information from Grant Recipients, for example around Irregularities or evidence for Desk Based Evidence Checks (DBECs) and On the Spot Visits (OTSVs);
- Quarter 1 and Quarter 2 claims that are due May/August will be at reduced value due to slower activity;
- The Quarter 1 and Quarter 2 claims will be paid, due to easements put in place, but may not be available for N+3 purposes as the required evidence won't be available for their inclusion in any Interim Payment Applications (IPAs) to the Commission.

We will update GPB members further when we have more information on the impact of these risks. The Q1 claims received show a slight dip in performance, especially in respect of Direct Bid claims (67%), but this is still within the broad range of previous quarters. However, this does slow the significant performance improvement that had been evident more recently. However, only 2 weeks of Q1 were directly impacted by lockdown and therefore a much more significant impact is expected in the Q2 claims.

As members are aware, and in line with ERDF, we paused publishing any further calls from the Reserve Fund at the point of the COVID-19 crisis hitting. This meant that Call Proposals submitted into March were not able to be progressed. We have continued to discuss priorities for



using remaining Programme funds with members of the Performance and Dispute Resolution Sub-Committee and are involved in broader cross-Whitehall discussions regarding economic recovery plans. Stakeholders and local areas who identify a need for support to respond directly to the impacts of COVID-19 are invited to submit Call Proposals for us to consider. A verbal update on the current position of the Reserve Fund will be provided at the GPB meeting on 23 June.

The MA is additionally considering measures to reduce timelines for appraising applications and paying claims by streamlining these two key processes. Further detail appears in the accompanying slide deck.

The MA's recruitment exercise to increase its cadre and strengthen the team has begun. The first tranche of the 62 vacancies was advertised during week commencing 8th June and successful applicants will be placed into areas that have the most urgent business need. A further two phases of recruitment are planned during the summer.

Interim Payment Application (IPA14) was submitted to the European Commission on 6 April 2020 for €79 million (£67 million) total expenditure and **€45.6 million ESF** (EU amount). Payment was received on 21 April, following 10% retention we received €41 million (£35.9 million).

ECPA 15 is currently being prepared, which is the final PA for the year 2019-20. This will be submitted on time, ahead of its July deadline and its current estimated value, subject to checks, is £62M.

ESF Programme Update:

1. All data included in the Programme Update section is as at 1 June 2020, unless indicated otherwise. The exchange rate used throughout the report is 0.89728, unless stated.

Calls and Commitment Update:



2. In order to provide the Board with the latest available information, the Performance Framework data presented has different period end dates for participant and financial elements. Unlike the financial data which is available monthly, the participant data is only available on a quarterly basis. Again, the position at the last report (with ESF data to 01 February 2020), is shown in brackets for comparison purposes:

- ESF commitment, as of 01 June 2020, was £2.304 billion (£2.176 billion), 75.91% (71.7%) of the total ESF allocation.
- In Priority Axis 1 and 2 there are 244 (272) Direct Bid projects with commitments totalling £698.5 million (£650.8 million) and 157 MOUs for the National Co-Financing Organisations (CFOs), valued at £1.58 billion (£1.58 billion).
- There are 40 ESF Funding Agreements for Technical Assistance with a value of £28.6 million.

Update on the Appraisal of Applications:

The following table summarises the Programme Appraisal position as at **09th June 2020**:

Appraisal Caseload – Summary Position			
Row	Type	Current Appraisal Caseload	Value (£m)
A	Unassigned	68	123.0
B	Appraising	64	183.6
C	At ESIF Committee	11	18.5
D	Post ESIF Action	5	11.5
E	Appraising sub-Total (Rows B+C+D)	80	213.6
F	Grand Total Appraisals (Rows A+B+C+D)	148	336.6
G	New Decisions (Made within last 14 days)	1	3.0



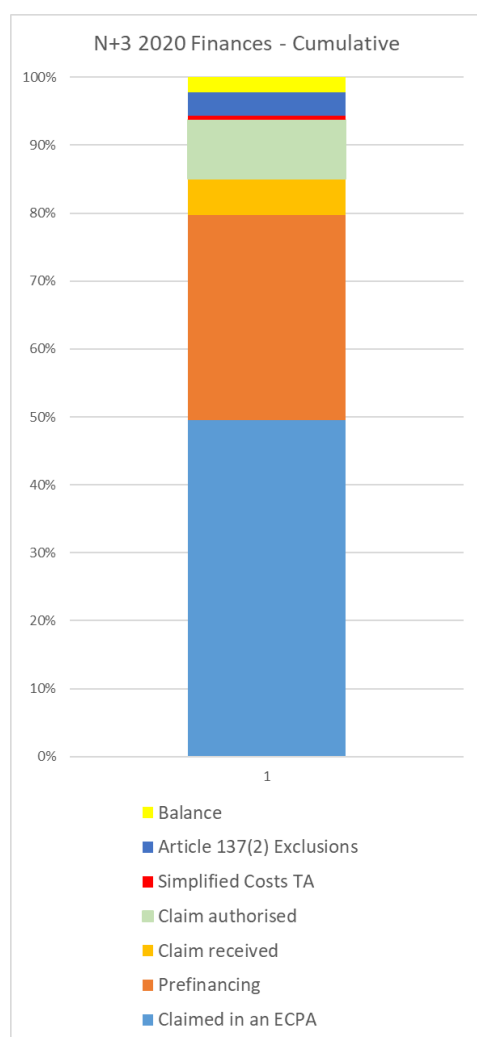
H	Pending Decisions	18	26.2
I	Awaiting Funding Agreement	70	208.3
	Totals (rows F+H+I)	236	571.1

3. The above table summarises the current position with regard to the appraisal of applications and gives a clear illustration of the volumes and values of applications at the different stages in the process. It can be seen that both the volume and value of applications in appraisal has increased slightly since the last report, as several recent Calls attracted high numbers of applications.
4. All applicants with outstanding appraisals have been contacted to determine how COVID-19 might impact on their ability to continue with the iterative appraisal process. Only 11 applicants are yet to respond, all others have confirmed they wish to continue, although a few have requested that their projects commence later than originally envisaged, in 12 months' time.
5. Analysis of the physical time taken from Call closure to the decision on Value for Money (VfM) continues to be actively managed – the VfM decision is the point at which a decision can be issued to the Applicant.
6. In addition to the Gateway/Due Diligence checks, as we advised the Board at the last meeting, a new Preliminary Appraisal Review Questions (PARQ) step has been implemented and its effectiveness is being reviewed for further refinement. This ensures that all necessary documentation is submitted prior to assignment of an appraiser so progress can begin without delay. This provides the following improvements:
 - Applicants are assured their application has been received, as contact is made more quickly;
 - Applicants are better prepared to ensure all documentation is made available to the MA to enable the appraisal process to begin without delay; and
 - In the event of a rejection due to non-compliance, notification can be issued in a timelier manner.
7. Closer working between Senior Appraisal Managers and MA LEP Leads has continued, improving stakeholder engagement and communication around the appraisal process.



Progress on N+3 Target:

N+3 2020 Finances – Cumulative Performance



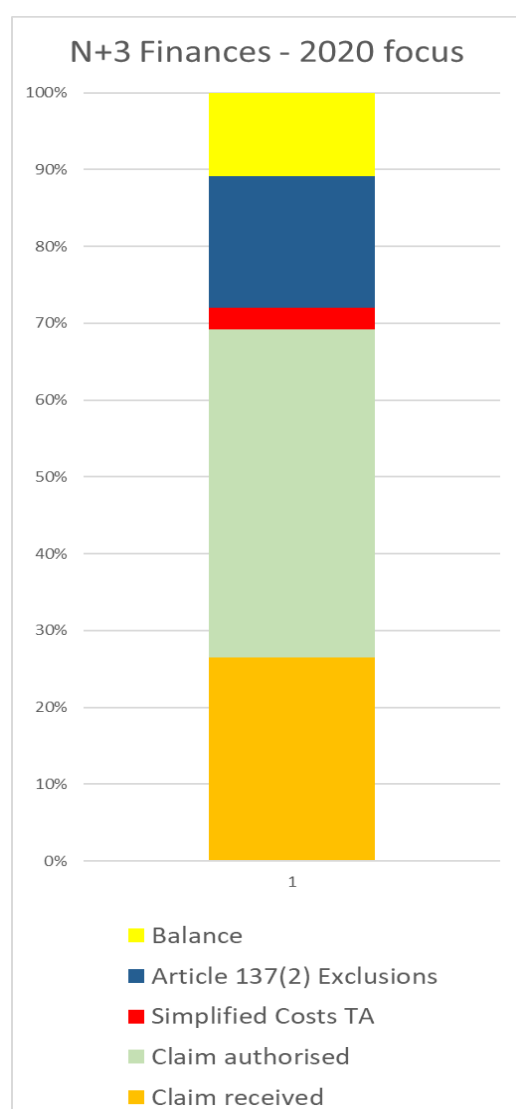
Target	€ 1,897,810,581.00	
Claimed in an ECPA	€ 940,796,342.00	49.57%
Prefinancing	€ 571,354,506.86	30.11%
Claim authorised	€ 164,876,403.57	8.69%
Claim received	€ 102,016,289.04	5.38%
Simplified Costs TA	€ 10,675,707.70	0.56%
Article 137(2) Exclusion	€ 66,199,527.35	3.49%
Balance	€ 41,891,804.48	2.21%

8. The in-year target for 2020 is €385,659,732, the table on page 5 shows this in more detail.



9. Members will note from the data above that at the point of this update being written, the MA is on track to have received sufficient claims to enable us to achieve 98% of the cumulative 2020 N+3 target; subject to those claims passing the necessary checks and therefore being included in payment applications to the EC. However, COVID-19 risks will impact on the financial value of these payments, in particular where there are irregularities or where additional information is required from grant recipients.

N+3 Finances – 2020 Focus



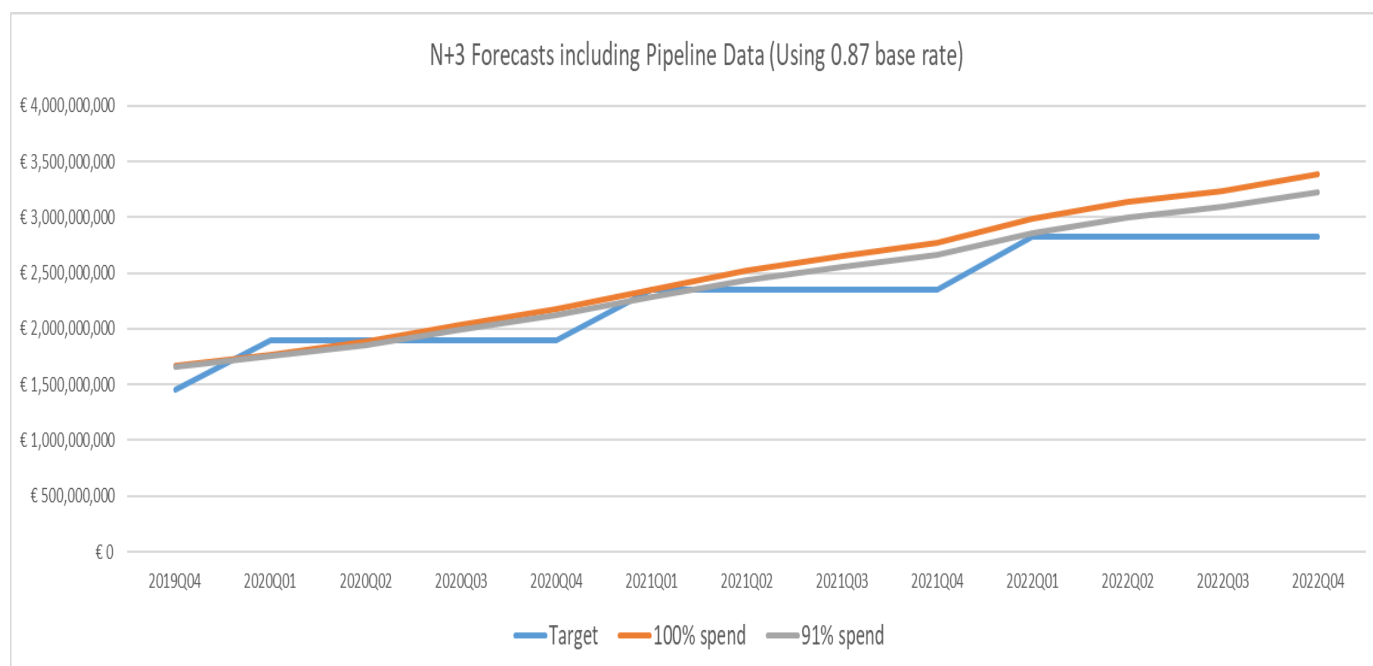
2020	Target	€	385,659,732.00	
	Claim authorised	€	164,876,403.57	42.75%
	Claim received	€	102,016,289.04	26.45%
	Simplified Costs TA	€	10,675,707.70	2.77%
	Article 137(2) Exclusions	€	66,199,527.35	17.17%
	Balance	€	41,891,804.34	10.86%



The key points to note on N+3 2020 are summarised below:

10. 'Claim authorised' and 'Claim received' figures indicate that we remain approximately on target for achievement of the 2020 N+3 target. The remaining €41.9M gap, illustrated in the table above, would ordinarily have been provided by the receipt of Q2 claims by August. However, the committee should note that the COVID-19 risks, set out in the Summary on page 1 of this paper, are expected to severely impact the value of the anticipated claims. Current focus is on prioritising the processing of claims received so that they will be included in the Final European Commission Payment Application of this financial year, in July 2020.
11. The 'Simplified Costs TA' is the method used for claiming 4% of the TA costs back from the EC. We claim 4% of the ECPA value as TA;
12. 'Article 137(2) Exclusions' relates to approximately €66.2 million in claims that have been withheld from the Annual Accounts due to ongoing investigations (largely linked to outstanding issues with Irregularities). These will be included in future ECPAs as the underlying issues are resolved;

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





13. The MA is keen to monitor the position for forthcoming years so that we can be more proactive in spotting any future degradation in N+3 performance. This will enable us to take preventative, rather than reactive, action to maximise our ability to achieve N+3. The performance forecast for the N+3 target illustrated above shows that we expect to continue to receive sufficient claims to enable us to meet the target going forward, subject to the impact of COVID-19. The table (above) 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:
14. 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 2 of 2020;
15. The trajectory depicted in grey, demonstrates performance at 91%, an average claim rate, which shows that we are on track to receive sufficient claims to also achieve the 2020 N+3 target upon receipt of the Quarter 2 2020 claims.
16. As noted above, the committee should note that the COVID-19 risks set out in the Summary on page 1 are likely to impact the financial value of claims included in the next Interim Payment Application.
17. Members are asked to note that the claim rate will fluctuate with time as well as performance. Specifically, as well as being impacted by other influences, such as exchange rate, the position will vary within a quarter dependent upon which claims have been received, which claims are still outstanding and their relative values.

ESF Claims Performance:

ESF Claim Performance against Profile:

Total (ESF & Match) Expenditure Timeline by Organisation



CLAIMS SUMMARY				
Org Type	Cumulative Profile to Q1 2020	Cumulative Claims	Slippage	Percentage Claimed
Direct-Bid	£716,921,208	£479,011,370	£237,909,838	66.82%
ESFA	£781,652,860	£866,964,735	£85,311,875	110.91%
DWP	£211,783,138	£198,370,231	£13,412,907	93.67%
HMPPS	£283,694,293	£278,138,096	£5,556,197	98.04%
NLCF	£270,171,223	£283,176,187	£13,004,964	104.81%
TOTAL	£2,264,222,722	£2,105,660,618	£158,562,103	93.00%

Profile correct as of 01/06/20

Claims data extracted from RP1010, run date of 01/06/20

Spend includes both ESF & Match funding

18. The table above shows the performance of both Direct Bids and CFOs, in terms of claims against profile. Members will note that the total percentage claimed figure 93.00% includes both ESF and Match funding and so will differ slightly from that quoted earlier in this paper, which is the claim rate for ESF only (91.94%).
19. Additionally, the CFOs have had more than one exercise to offer extensions and re-profile. This inevitably means that their actual spend to date is closer to profile than that of the Direct Bids. The ESFA overspend position is being addressed and will be recovered in 2020.
20. The CFOs deliver the largest part of the Programme and are currently the strongest performers, in terms of performance against profile, as identified in the table above. Short narrative updates on each CFO are presented below. All CFOs have submitted their Quarter 1 2020 claims as planned, at the end of May. The MA will now work on processing these claims.

The National Lottery Community Fund (NLCF):

21. As detailed in previous reports, NLCF have revised their profiles to extend provision in those areas that sought extensions and re-profiled any underspend to either release unused funds, or extend projects as appropriate. All Project Change Requests (PCRs) have been approved. There were no significant issues identified at either the last Project Management Meeting



(PMM) or monthly performance telekits. Some payments remain outstanding from the Quarter 4 claims due to technical issues.

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

22. There are no PCRs outstanding for HMPPS. There were no significant issues identified at either the last PMM or monthly performance telekits. The Quarter 4 claim was submitted as expected and has already been processed.

DWP:

23. As detailed in previous reports, DWP have revised their profiles to extend provision in those areas that sought extensions and re-profiled any underspend, to either release unused funds or extend projects as appropriate. There were no significant issues identified at either the last PMM or monthly performance telekits. Some payments remain outstanding from the Quarter 4 claims due to technical issues. The migration of revised profiles has not been completed due to technical difficulties on Eclaims. The Managing Authority are working to resolve these with the developer.

24. DWP have published programme statistics covering the period up to November 2019 and this can be found by following this link: <https://www.gov.uk/government/statistics/dwp-cfo-european-social-fund-2014-to-2020-statistics-to-november-2019>

ESFA:

25. The ESFA have submitted their PCRs as notified to LEP areas. Work is underway to assess and appraise these PCRs as a priority. The MA has asked for further evidence to seek assurance that these projects can support the recovery post COVID-19. There were no significant issues identified at either the last PMM or monthly performance telekits. Some payments again remain outstanding from the Quarter 4 claims due to technical issues. Due to limits imposed by the remaining funds within the Reserve Fund, the MA is



working with the ESFA to achieve the best possible outcome for all areas before additional funding can be approved through the PCR process.

Direct Bids:

26. As referenced above, the performance against profile of Direct Bids, at 66.82%, is currently performing the least strongly. This performance is broken down further in the table below, which shows how it is made up by CoR and IP:

Total (ESF & Match) Expenditure for Direct Bids by PA and CoR:

CLAIMS SUMMARY (Direct-bid only, ESF & Match)					
Priority Axis	Category of Region	Cumulative Profile to Q1 2020	Cumulative Claims	Slippage	Percentage Claimed
1	Less-Developed	£14,487,276	£6,704,471	-£7,782,805	46.28%
1	Transitional	£43,338,563	£39,937,928	-£3,400,635	92.15%
1	More-Developed	£269,458,129	£147,748,816	-£121,709,312	54.83%
1	YEI	£217,650,713	£197,947,914	-£19,702,799	90.95%
2	Less-Developed	£15,383,144	£10,427,121	-£4,956,023	67.78%
2	Transitional	£18,940,235	£9,745,973	-£9,194,261	51.46%
2	More-Developed	£88,281,500	£36,193,048	-£52,088,452	41.00%
3	Less-Developed	£2,459,085	£1,585,928	-£873,157	64.49%
3	Transitional	£10,938,637	£5,706,756	-£5,231,881	52.17%
3	More-Developed	£35,983,926	£23,013,414	-£12,970,513	63.95%
TOTAL		£716,921,208	£479,011,370	-£237,909,838	66.82%

27. The enhanced tools introduced to support the performance improvement process have been referenced in previous papers. The MA continues to utilise these to drive improved performance of deliverables for Direct Bids and performance is indeed improving, as reflected in the above table. Direct Bids are currently at 66.82% of profile, compared to the last report, where members will have noted the achievement was 77.23% of profile, when measured against the Q3 2019 target.

28. Since then, for both financials and deliverables, Contract Managers have been more equipped to challenge poor performance. Authorising Managers are checking this as part of their role, underperformance is therefore being tackled robustly and this will continue to be



a focus going forward. These enhanced performance management tools are also used to manage CFO performance.

29. It can be seen however, that the performance of Direct Bids has dipped slightly in the Q1 2020 claims. Although this is within the broad range of previous performance, it has halted the more recent performance improvement. Only two weeks of the “lockdown” featured in Q1, it is therefore anticipated, as referred to in the summary to this report, that a much more severe performance reduction will be evidenced in Q2.



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 ESI Funds Growth Programme.

Recommendations

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

Summary:

As at 5 May, under Rounds 1 and 2 of the RDPE Growth Programme, a total of £114m had been awarded in grants to 655 projects. Of this £114m, £69.3m had been paid out, contracting 3,964 FTE jobs of which 1,233 have already been created. The scheme remains on track to meet its job creation target of 4,075.

The 3rd round of the Growth Programme, which is offering around £60m, closed to new Expressions of Interest (Eols) on 16th February 2020. Round 3 received 3020 Eols requesting £352m of funding. The Rural Payments Agency (RPA) is currently assessing the Eols and are inviting eligible projects to submit full applications.

In addition, 21 contracts for funding totalling £78m have been awarded under the Rural Broadband Infrastructure offer.

COVID-19 Response

We fully appreciate the impact that Covid-19 is having on rural businesses and we remain keen to be as constructive and flexible as possible in managing existing projects and running the current Growth Programme offer. As such, the RPA has made changes such as suspending on-site visits allowing applicants to submit claims with satisfactory electronic evidence of project completion and defrayal before paying a final claim.

We are also working with the RPA to explore the scope for giving extra weight to business sustainability alongside growth ambitions in new project proposals and looking at extending claim and commitment periods wherever possible.



EAFRD GROWTH PROGRAMME UPDATE

Delivery Update

1. As at 5 May, £114m of grant funding had been awarded to 655 projects under the first two rounds of the RDPE Growth Programme. Of this, £69.3m had been paid to projects. The scheme is expected to meet its target of creating 4,075 jobs. To date, 3,964 FTE jobs have been contracted and 1,233 created.
2. From round 1, which ran in 2015, 82 projects have now completed all activity, confirming the creation of 410 FTE jobs so far from an EAFRD investment of £8.7m. 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 796 applicants for funding totalling £151m. So far, 796 projects have submitted Full Applications for funding totalling £151m, with 573 projects securing grant offers worth £105m.

Rural Broadband Infrastructure Fund

3. The budget for the Rural Broadband Infrastructure (RBI) Fund has been increased from £75m to £79.5m. There are currently 21 live contracts. 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.
4. Projects are mostly now in the delivery phase, and the first claim has been received. The final claim date for all projects is December 2022.

Round 3

5. The third round of calls under the RDPE Growth Programme opened for Expressions of Interest in November 2019 and closed on 16 February 2020. The RPA have received 3,020 Eois requesting funding for £352m of projects.
6. Overall, circa. £60m is available to rural businesses, with the final total amount being determined once all outstanding Round 2 Full Applications have been contracted. 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.



7. The RPA is currently assessing the EoIs and will invite eligible projects to submit Full Applications which will be considered at one of the three decision rounds to be held in the summer and autumn. This approach is to manage disallowance risk which would arise from not assessing all Full Applications together and allow funding to be awarded to the highest scoring projects.
8. The RPA has recorded an online resource with advice on completing a Full Application and applicants who have been invited to submit a Full Application will receive an email with a link to it.
9. The table below shows the breakdown of EoIs received by theme, the total amount of grant requested and the average grant request. The RPA is assessing the EoIs and will work with LEP area ESIF Sub-Committees to get their advice on the local strategic fit of projects.

Theme	Number of applications	EOI Grant amount requested (£)	Average Grant request (£)
Processing and Marketing of Agricultural Products	487	108,139,842	222,053
SME Support	1,663	154,073,533	92,648
Tourism	870	89,824,307	103,246
Grand Total	3022	£352,037,682	£139,316

10. As at 5 May, invitations to submit a Full Application have been issued to 1,752 applicants for funding totalling £218m. At the closure of the first decision window on 30 April, RPA had received Full Applications from 98 projects for funding totalling £16m. These are now being assessed.

COVID-19 Response

11. We recognise that the current situation creates uncertainty and significant challenges in the delivery of existing RDPE Growth Programme projects and the development of projects in the pipeline. We are currently in discussion across Government to assess the impact on ESIF programmes and with the European Commission regarding its proposed response to the situation.
12. We understand that project delivery could be affected by Covid-19 due to its impact on the supply chain, workforce availability or cash flow. The RPA have



advised applicants that changes to project milestones, including claim schedules might be possible. They have advised applicants to email as soon as they become aware that they might need to request a variation to a claim schedule, project milestones or to make RPA aware of any other changes to their project.

13. We remain keen to be as constructive and flexible as possible and, in order to continue processing claims quickly and efficiently, the RPA has made changes to enable beneficiaries to submit their claims completely electronically. We have also made use of EU derogations to allow RPA to pay claims based on satisfactory alternative evidence without the need to carry out in situ inspections.
14. In addition, we are working with the RPA to explore the scope for giving extra weight to business sustainability alongside growth ambitions in new project proposals and looking at extending claim and commitment periods wherever possible.
15. To date, 101 applicants have withdrawn their applications citing COVID-19 as the reason.

Tony Williamson

22 May 2020



ANNEX 1

Table 1. Growth Programme round 1 and 2 number of projects, funding committed and spend by theme as of 5th May 2020.

Theme/Measure	No. of Projects	Funding Committed £m	Spend to Date £m
Food Processing (M4.2)	141	43	31
Business Development (M6.4)	394	44	28
Tourism Infrastructure (M7.5)	108	26	10.2
Tourism Cooperation (M16.2)*	12	0.60	0.68
Total	655	£110.6	£69.32

*Theme offered in Round 1 only.

Table 2. Rural broadband infrastructure offer.

As at 5 May	Rural Broadband
Total Budget	79.5
Full Applications received	23
Value of Grant Sought (£m)	86
Number withdrawn/rejected	2
Number Contracted	21
Value of contract (£m)	78
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	3,964	1,829	1,293	842
FTE Jobs created	1,233	607	423	203



Figure 1. Growth Programme Rural Broadband Infrastructure Scheme, Round 1 & 2 allocation, contracted and spend actual figures 5th May 2020.

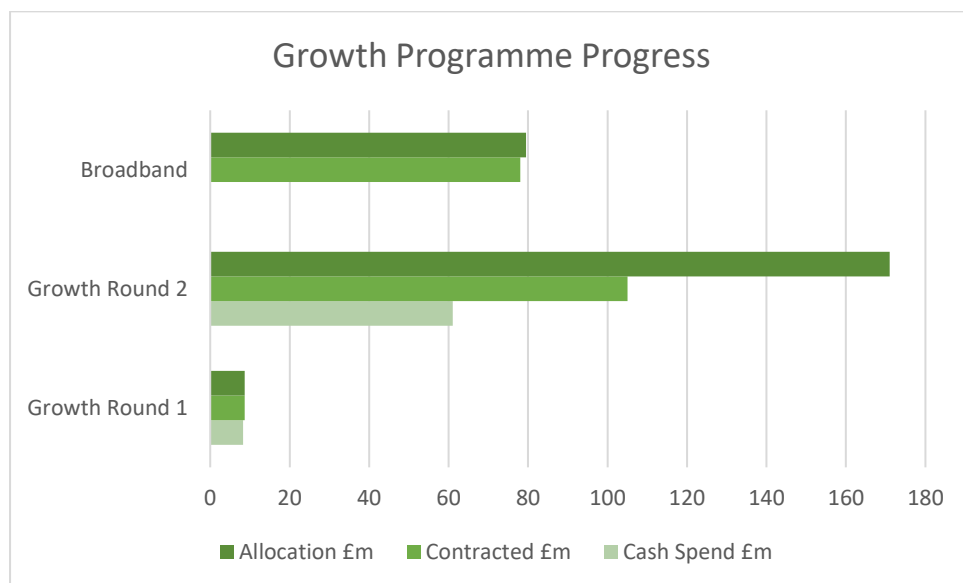
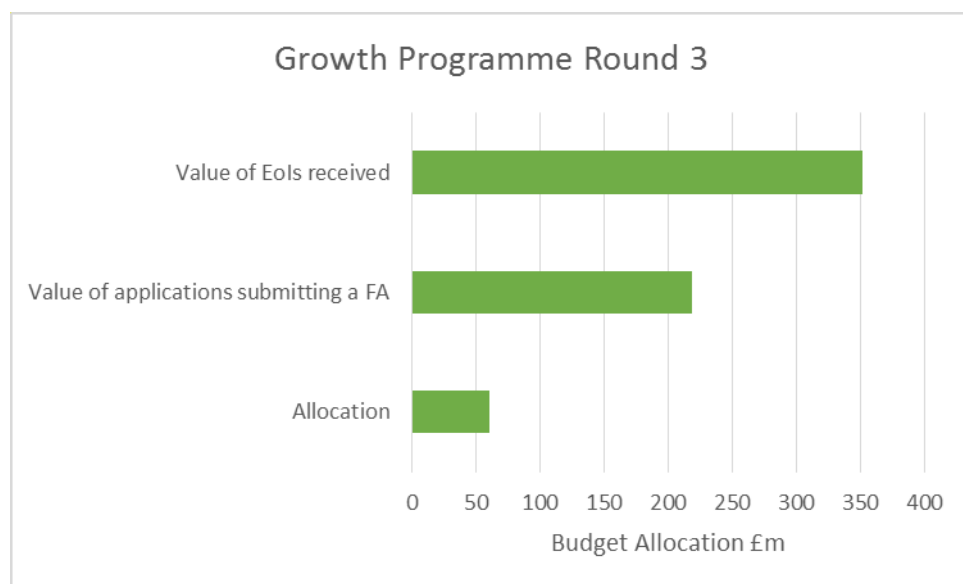


Figure 2. Growth Programme Round 3 allocation, value of Eols received and value of applications invited to submit a FA.



**Table 4. Round 3 Growth Programme LEP Expression of Interest Grant Request
as at 19th May 2020.**

LEPs	EOI Grant Amount Requested (£)
Buckinghamshire Thames Valley	2,093,274
Cheshire and Warrington	8,023,114
Coast to Capital	9,003,145
Cornwall and the Isles of Scilly	16,477,483
Coventry and Warwickshire	4,228,313
Cumbria	18,782,311
Derby, Derbyshire, Nottingham and Nottinghamshire	14,703,544
Dorset	7,587,435
Enterprise M3	4,743,266
Gloucestershire	10,275,881
Greater Birmingham and Solihull	825,600
Greater Cambridge & Greater Peterborough	11,368,522
Greater Lincolnshire	14,041,342
Greater Manchester	4,292,361
Heart of the SW	26,306,098
Hertfordshire	3,816,412
Humber	5,529,081
Lancashire	9,954,926
Leeds City Region	5,870,672
Leicester and Leicestershire	8,107,539
Liverpool City Region	1,593,974
New Anglia	16,754,402
North Eastern	22,886,283
Oxfordshire	4,222,077
Sheffield City Region	4,815,945
Solent	2,858,639
South East	28,057,052
South East Midlands	8,828,846
Stoke and Staffordshire	5,028,437
Swindon and Wiltshire	6,904,704
Tees Valley	1,675,640



European Union

European Structural
and Investment Funds

GPB 20200623 Item 2
European Structural and Investment
Funds
2014 - 2020
Growth Programme for England- EMFF

Thames Valley Berkshire	3,340,651
The Marches Enterprise Partnership	24,023,241
West of England	3,315,261
Worcestershire	6,846,935
York and North Yorkshire	25,002,206
Grand Total	£352,184,609



LEP	Indicative Allocation £	Expenditure £	Under/(over) programming £
Buckinghamshire Thames Valley	1,584,177.00	582,878.88	1,001,298.12
Cheshire and Warrington	2,492,600.00	1,756,158.04	736,441.96
Coast to Capital	3,835,682.00	2,481,220.81	1,354,461.19
Cornwall and the Isles of Scilly	9,396,623.00	3,501,239.72	5,895,383.28
Coventry and Warwickshire	2,730,498.00	1,693,167.16	1,037,330.84
Cumbria	7,755,077.00	2,387,657.49	5,367,419.51
Derby, Derbyshire, Nottingham and N	5,523,249.00	1,245,056.30	4,278,192.70
Dorset	3,020,337.00	995,828.28	2,024,508.72
Enterprise M3	4,466,791.00	654,727.92	3,812,063.08
Gloucestershire	2,893,392.00	1,651,003.85	1,242,388.15
Greater Birmingham And Solihull	1,141,193.00	849,149.28	292,043.72
Greater Lincolnshire	8,782,191.00	3,666,376.09	5,115,814.91
Greater Manchester	419,593.00	228,372.54	191,220.46
Greater Cambridge & Greater Peterb	7,395,748.00	1,472,413.03	5,923,334.97
Heart of the SW	15,540,333.00	5,259,657.50	10,280,675.50
Hertfordshire	1,520,761.00	290,566.72	1,230,194.28
Humber	2,141,264.00	1,297,216.95	844,047.05
Lancashire	4,290,283.00	2,078,796.72	2,211,486.28
Leeds City Region	5,232,974.00	305,895.60	4,927,078.40
Leicester and Leicestershire	3,059,220.00	1,159,580.43	1,899,639.57
Liverpool City Region	339,995.00	28,977.96	311,017.04
New Anglia	13,015,876.00	5,283,916.59	7,731,959.41
North Eastern	10,489,904.00	3,736,380.08	6,753,523.92
Oxfordshire	2,793,225.00	434,664.22	2,358,560.78
Sheffield City Region	3,018,769.00	954,321.66	2,064,447.34
Solent	1,412,647.00	388,490.32	1,024,156.68
South East	14,467,947.00	9,254,471.25	5,213,475.75
South East Midlands	6,506,432.00	2,311,311.80	4,195,120.20
Stoke and Staffordshire	3,126,716.00	577,411.94	2,549,304.06
Swindon and Wiltshire	3,900,654.00	635,683.18	3,264,970.82
Tees Valley	1,100,854.00	754,613.77	346,240.23
Thames Valley Berkshire	1,125,081.00	221,337.11	903,743.89
The Marches Enterprise Partnership	7,457,814.00	4,751,458.17	2,706,355.83
West of England	1,431,451.00	541,872.43	889,578.57
Worcestershire	2,242,595.00	1,462,451.88	780,143.12
York and North Yorkshire	9,848,056.00	5,384,170.51	4,463,885.49
Total	175,500,002.00	70,278,496.18	105,221,505.82



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 1,493 core projects approved with an EMFF grant value of over £46m.

1. There continues to be good take-up of the EMFF in England, with 1,493 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 £46m and National match of £11m.
2. There has been almost £30m EMFF paid out to applicants in the core scheme as of 31 May 2020.
3. The popular areas for funding remain:
 - Health and safety – equipment and on-board vessel investments (469 projects attracting £2.7m EMFF);
 - Limiting the impact of fishing on the marine environment – more selective fishing gear and practices (297 projects, attracting £3.3m EMFF);
 - Processing and marketing – of fisheries and aquaculture products (84 projects, attracting £4.9m EMFF);
 - Adding value and quality – to caught and unwanted fish products (121 projects, attracting £866k EMFF);
 - Infrastructure investments – in ports, harbours, landing sites and auction halls (98 projects, £11.3m EMFF);
 - Investments in aquaculture – new units, diversification of production and species, modernisation of existing units (35 projects, £1.9m EMFF);



- Promotion of human capital – job creation, improving social dialogue, training (18 projects, £1.9m EMFF);
 - Protection/restoration of marine biodiversity and ecosystems – collection of waste, Natura 2000 sites, increasing environmental awareness (64 projects, £6m EMFF).
4. With regard to CLLD, the six Fisheries Local Action Groups are now drawing to a close. The allocated budget of £4.2m has been committed to 159 projects across the network and projects continue to deliver against the Local development Strategies (LDS) and business plans. The FLAGs are working hard to get all claims submitted by the end of the financial year and over 2.6m has been paid out to applicants to date with a further £890k of claims in hand.

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

5. On 17 April a £10million support package was announced to help address the impacts of Covid-19 on the fisheries sector. The package was funded by repurposing the remaining £5million funding in the Maritime and Fisheries Fund, which was matched with £5million from the Treasury. The package was used to create the Fisheries Response Fund (FRF) for the catching and aquaculture sections (whom are not eligible for Small Business Grant Scheme (SBGS) support, other than for the fixed cost of any land-based buildings), worth £9million and the Domestic Seafood Supply Scheme (DSSS), worth £1million.
6. The repurposing of MFF funds has meant the closure of the scheme from 17 April to new applications and expressions of interest. This re-profiling has been necessary to ensure that emergency funds can be distributed in a rapid and timely fashion in responding to the immediate impacts of Covid-19. However, all applications received prior to the 17 April, have continued to be reviewed following the eligibility and scheme rules.
7. The FRF has been designed to address the immediate impacts of Covid-19 to the catching and aquaculture sectors and is therefore targeted at those businesses identified as in most critical need of targeted financial assistance. In keeping with the SBGS, it is aimed at the smaller businesses. This includes vessels under 24 metres in length, and aquaculture businesses supplying trout and shellfish for consumption.
8. The DSSS is intended to support projects that help get products from catching and processing sectors to domestic markets. The funds are being made available through a competitive bid process which closed on 11 May. The DSSS



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was open to all parties to apply for, and a panel of both government and industry representatives are currently deciding on the successful applications.

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/MFF team at their headquarters in Newcastle. Data is not categorised on a regional basis.

Robert Matthews, Defra
EMFF Programme Monitoring Committee

