



Growth Programme for England

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 1 March, under Rounds 1 and 2 of the RDPE Growth Programme, a total of £112m had been awarded in grants to 646 projects. Of this £112m, £85m had been paid out, contracting 4,899 FTE jobs of which 1,454 have already been created.

The 3rd round of the Growth Programme, which is now offering around £70m, has received 792 Full Applications for projects totalling £108m. To date, 188 projects have been contracted worth £26m. It is expected that all project contracts will be issued later this spring and that the full £70m will be used.

In addition, 18 contracts for funding totalling £70m have been awarded under the Rural Broadband Infrastructure offer. These projects are now in varying stages of delivery.

COVID-19 Response

We fully appreciate the impact that Covid-19 is having on rural businesses and we are continuing to be as constructive and flexible as possible in managing the scheme.

For example, Ministers agreed that projects contracted under the first two rounds that were seriously affected by Covid-19 could be extended by up to six months; the 3rd Round Full Application deadline was extended by two months for projects that were struggling to obtain planning permission; and we extended the final project completion deadline from end September 2021 to end December 2022.

EAFRD GROWTH PROGRAMME UPDATE

Delivery Update

1. As at 1 March, £112m of grant funding had been awarded to 646 projects under the first two rounds of the RDPE Growth Programme. Of this, £85m had been paid to projects. To date, 4,899 FTE jobs have been contracted and 1,454 created.
2. From Round 1, which ran in 2015, 82 projects were contracted, worth £8.7m. 78 projects have now completed all activity, confirming the creation of 276 FTE jobs so far from an EAFRD investment of £8.4m. Under the second round of calls, opened in 2017, the RPA received 1,864 Expressions of Interest (EOI), requesting funding of £341m, 564 projects worth £103 were contracted. To date, 328 projects have completed from an investment of £77. Also 3,501 jobs have been contracted, and 1,178 created.

Rural Broadband Infrastructure Fund

3. There are currently 18 live contracts, totalling £70m. The infrastructure funded is forecast to 'pass' 14,700 business premises and 63,850 other premises in the most remote parts of rural England, to benefit a population of 172,946.
4. Projects are now in the delivery stage: one has been paid £1.1m and a further two claims worth £1.7m have been received. While all projects have experienced delays, principally due to the current COVID-19 crisis. However, all projects are forecast to be completed and claims made by 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.
6. 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 received 3,025 Eols requesting funding for £353m of projects. Invitations to submit a Full Application were issued to 1,510 applicants for funding totalling £193m. When the Full Application window closed at the end of October, RPA had received 792 applications totalling £108m. The table below shows the breakdown of Eols and Full Applications (FA) received by theme the total amount of grant requested and the average grant request.

Theme	Number of Expressions of Interest received	EOI grant amount requested (£)	Number of applications	FA grant amount requested (£)	Average FA grant request (£)
Food Processing	493	110,006,631	181	47,952,413	264,930.46
SME Support	1,843	170,823,852	552	53,636,270	97,167.16
Tourism	689	72,116,267	59	6,128,411	103,871.37
Grand Total	3,025	£352,946,749	792	£107,717,094	£155,323.00

8. After a review of EAFRD budgets, Defra has increased the Growth Programme budget by a further £10m, taking the overall amount available to rural business to £70m. The RPA is continuing to assess Full Applications and aims to have all appraisals completed and decisions communicated later this spring. To date, 188 projects have been awarded funding of £26m and, of this £26m, claims totalling £216k have been paid out.
9. The RPA has forecast using assumptions on attrition rates and spend vs. commitment that the £70m budget is enough to fund all eligible projects passing the minimum scoring requirement. Therefore, project applications which had previously been deferred for a funding decision are now being contracted and applicants informed of progress.

COVID-19 Response

10. We understand that project delivery could be affected by Covid-19 due to its impact on the supply chain, workforce availability or cash flow. As such, Ministers agreed that contracts signed before June 2020 for existing RDPE socio-economic projects seriously affected by Covid-19, including those under the first two rounds of the Growth Programme, could be extended by up to six months.
11. In addition, the 3rd Round Full Application deadline was extended by two months for projects that were struggling to obtain planning permission; and we have extended the final project completion deadline from end September 2021 to end December 2022.
12. Under the 3rd third round of the Growth Programme, 37% of applicants who withdrew their application cited COVID-19 as the reason.

Tony Williamson

10 March 2021

ANNEX 1

Table 1. Growth Programme round 1 and 2 number of projects, funding committed and spend by theme as of 1st March 2021.

Theme/Measure	No. of Projects	Funding Committed £m	Spend to Date £m
Food Processing (M4.2)	136	42	34
Business Development (M6.4)	389	44	34
Tourism Infrastructure (M7.5)	109	26	16
Tourism Cooperation (M16.2)*	12	0.60	0.71
Total	646	£112.1	£85.4

*Theme offered in Round 1 only.

Table 2. Rural broadband infrastructure offer.

As at 1 March	Rural Broadband
Total Budget	79.5
Full Applications received	23
Value of Grant Sought (£m)	86
Number withdrawn/rejected	5
Number Contracted	18
Value of contract (£m)	69.8
Value of grant paid to date (£m)	1.1
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	4,899	2,380	1,603	916
FTE Jobs Created	1,454	749	439	266

Figure 1. Growth Programme Rural Broadband Infrastructure Scheme, Round 1 & 2 allocation, contracted and spend actual figures 1st March 2021.

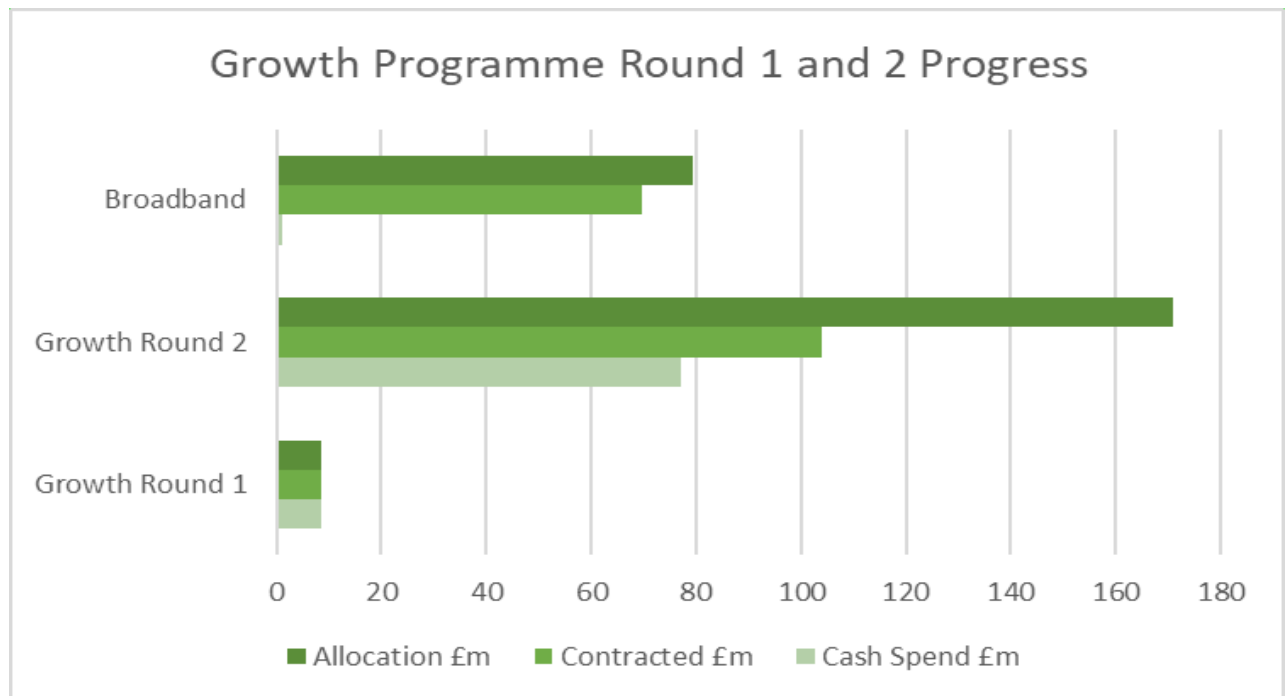


Figure 2. Growth Programme Round 3 allocation, value of Eols received, value of applications invited to submit a Full Application and value of Full Applications received as at 1st March 2021.

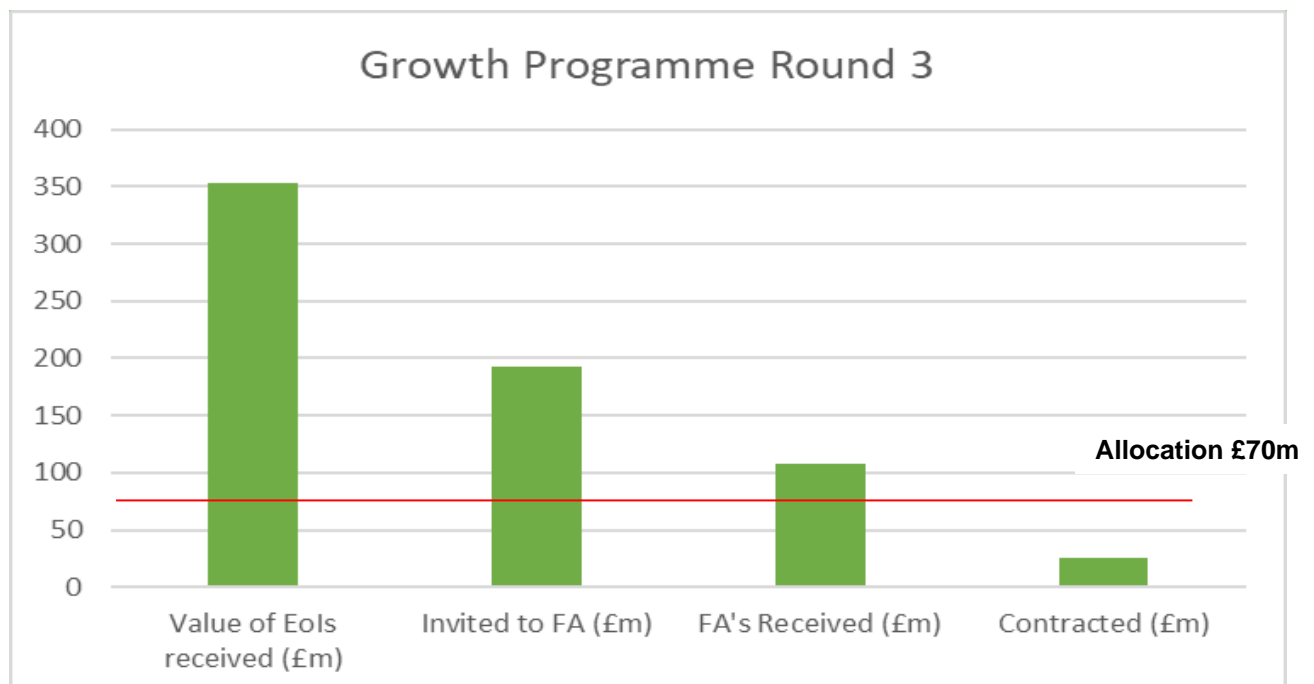


Figure 3. Growth Programme Round 3 value of Full Applications received and projects contracted by Measure as at 1st March 2021.

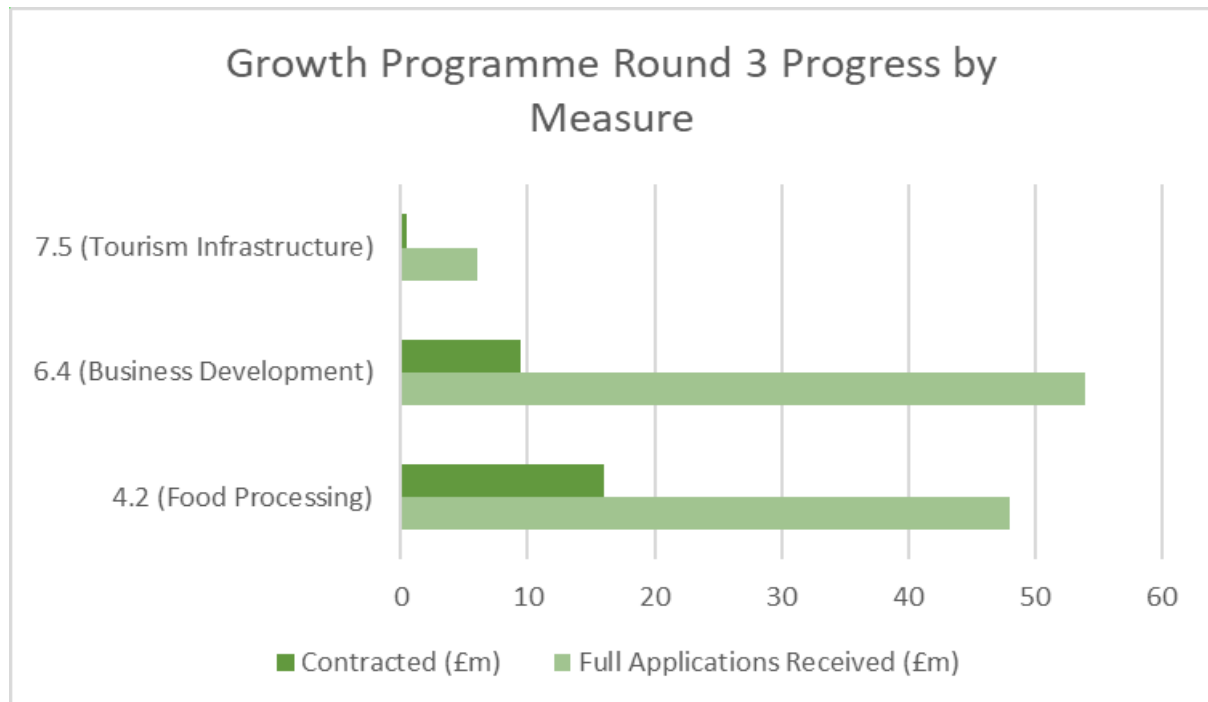


Table 5: Growth Programme contracted and closed projects by LEP as at 10th February 2021.

LEP	Number of applications	Total RDPE grant award	Total amount paid	Indicative LEP Allocation
Buckinghamshire Thames Valley	6	837,998	689,744	1,584,177
Cheshire and Warrington	22	2,961,729	2,314,179	2,492,600
Coast to Capital	23	4,664,558	2,655,287	3,835,682
Cornwall and the Isles of Scilly	47	7,955,914	4,323,247	9,396,623
Coventry and Warwickshire	22	2,561,580	1,963,585	2,730,498
Cumbria	43	4,979,445	2,972,766	7,755,077
Derby, Derbyshire, Nottingham and Nottinghamshire	26	3,858,848	1,512,577	5,523,249
Dorset	15	2,278,485	1,195,114	3,020,337
Enterprise MB	9	1,262,022	809,905	4,466,791
Gloucestershire	31	3,925,402	1,826,345	2,893,392
Greater Birmingham and Solihull	3	1,656,334	921,559	1,141,193
Greater Cambridge & Greater Peterborough	21	3,116,694	1,693,874	7,395,748
Greater Lincolnshire	33	6,584,040	4,173,593	8,782,191
Greater Manchester	3	1,182,238	228,373	419,593
Heart of the SW	81	14,886,191	8,432,949	15,540,333
Hertfordshire	4	542,225	359,369	1,520,761
Humber	15	1,847,304	1,475,675	2,141,264
Lancashire	22	3,724,262	2,198,633	4,290,283
Leeds City Region	7	1,069,975	502,921	5,232,974
Leicester and Leicestershire	18	1,929,786	1,610,393	3,059,220
Liverpool City Region	1	206,393	96,593	339,995
New Anglia	41	9,724,780	6,072,737	13,015,876
North Eastern	72	7,164,806	4,597,465	10,489,904
Oxfordshire	11	1,005,023	539,356	2,793,225
Sheffield City Region	13	2,167,770	552,485	3,018,769
Solent	8	1,652,055	458,564	1,412,647
South East	56	13,129,867	10,063,916	14,467,947
South East Midlands	25	3,740,472	2,464,392	6,506,432
Stoke and Staffordshire	11	2,903,143	712,025	3,126,716
Swindon and Wiltshire	10	1,428,708	747,320	3,900,654
Tees Valley	9	1,067,379	754,614	1,100,854
Thames Valley Berkshire	3	287,828	221,337	1,125,081
The Marches Enterprise Partnership	68	8,532,172	5,455,503	7,457,814
West of England	13	2,959,422	756,125	1,431,451
Worcestershire	18	1,821,754	1,504,375	2,242,595
York and North Yorkshire	38	11,440,847	7,895,182	9,848,056
Grand Total	848	141,057,448	84,752,076	175,500,002

Table 4. Round 3 Growth Programme LEP Outline Application grant request, Full Application grant request, total contracts awarded and amount paid by Measure as at 10th March 2021.

LEP / Theme	Number of applications	OA Grant amount requested	Full Application - Grant Amount Requested	Total RDPE grant award	Total amount paid (project)
Buckinghamshire Thames Valley	34	4,191,328	2,032,835	837,998	689,744
Processing and Marketing of Agricultural Products	6	708,090	464,670	216,047	212,626
SME Support	20	2,247,273	1,093,311	460,651	315,819
Tourism	8	1,235,965	474,853	161,300	161,298
Cheshire and Warrington	138	15,226,905	5,127,174	2,961,729	2,314,179
Processing and Marketing of Agricultural Products	16	2,254,424	1,116,808	745,349	743,973
SME Support	70	7,842,164	2,962,194	1,821,856	1,211,275
Tourism	52	5,130,317	1,048,173	394,524	358,931
Coast to Capital	128	21,585,397	8,910,797	4,815,716	2,655,287
Processing and Marketing of Agricultural Products	29	6,978,257	3,077,643	2,106,613	1,339,917
SME Support	29	3,343,572	955,619	361,722	-
Tourism	70	11,263,567	4,877,536	2,347,381	1,315,370
Cornwall and the Isles of Scilly	239	31,871,011	13,393,804	8,165,439	4,323,247
Processing and Marketing of Agricultural Products	68	13,146,756	6,298,192	4,709,637	2,512,523
SME Support	92	8,703,934	3,226,713	1,306,987	472,554
Tourism	79	10,020,321	3,868,899	2,148,815	1,338,170
Coventry and Warwickshire	89	9,945,984	4,279,531	2,597,081	1,963,585
Processing and Marketing of Agricultural Products	8	1,807,252	162,916		
SME Support	48	4,675,867	2,568,668	1,799,526	1,483,533
Tourism	33	3,462,865	1,547,947	797,555	480,052
Cumbria	332	37,900,237	9,002,367	5,184,338	2,972,766
Processing and Marketing of Agricultural Products	20	2,189,259	1,194,890	743,684	292,223
SME Support	129	10,277,496	3,330,828	1,619,257	876,088
Tourism	183	25,433,482	4,476,649	2,821,397	1,804,456
Derby, Derbyshire, Nottingham and Nottinghamshire	254	31,712,825	8,875,102	3,858,848	1,512,577
Processing and Marketing of Agricultural Products	17	3,592,421	1,249,585	1,249,359	-
SME Support	106	10,084,514	2,919,872	750,249	650,588
Tourism	131	18,035,891	4,705,645	1,859,239	861,989
Dorset	116	12,128,831	5,438,225	2,342,448	1,195,114
Processing and Marketing of Agricultural Products	21	4,029,882	2,609,591	1,490,507	658,391
SME Support	44	3,588,976	1,681,192	343,900	236,312

Tourism	51	4,509,974	1,147,443	508,041	300,411
Enterprise M3	83	13,500,897	4,764,020	1,386,890	809,905
Processing and Marketing of Agricultural Products	10	2,101,875	739,516	457,507	349,528
SME Support	30	2,527,412	769,849	391,104	138,333
Tourism	43	8,871,610	3,254,655	538,279	322,044
Enterprise M3, Gloucestershire, Greater Birmingham and Solihull	1	50,000			
Processing and Marketing of Agricultural Products	1	50,000			
Gloucestershire	187	22,662,952	9,009,997	4,309,929	1,919,104
Processing and Marketing of Agricultural Products	18	2,228,000	1,360,603	997,774	-
SME Support	44	3,877,532	1,177,653	239,846	-
Tourism	125	16,557,420	6,471,741	3,072,310	1,919,104
Greater Birmingham and Solihull	11	2,940,247	1,792,534	1,656,334	921,559
Processing and Marketing of Agricultural Products	2	1,140,700	1,175,404	1,175,254	440,731
SME Support	5	761,172	136,050		
Tourism	4	1,038,375	481,080	481,080	480,828
Greater Cambridge & Greater Peterborough	116	18,795,038	5,709,860	3,783,811	1,693,874
Processing and Marketing of Agricultural Products	27	7,808,639	2,138,348	1,585,153	397,239
SME Support	62	8,015,928	2,851,972	1,926,353	1,296,635
Tourism	27	2,970,471	719,540	272,305	-
Greater Lincolnshire	177	28,682,333	11,847,525	7,453,752	4,173,593
Processing and Marketing of Agricultural Products	46	13,866,235	6,078,644	4,851,137	2,515,804
SME Support	64	7,251,458	3,372,965	1,576,581	827,658
Tourism	67	7,564,640	2,395,917	1,026,035	830,131
Greater Manchester	26	5,087,326	1,378,634	1,182,238	228,373
Processing and Marketing of Agricultural Products	4	1,638,590	739,000	736,426	-
SME Support	8	1,525,931	27,922	27,922	-
Tourism	14	1,922,805	611,712	417,890	228,373
Heart of the SW	500	64,145,945	27,213,197	15,550,604	8,432,949
Processing and Marketing of Agricultural Products	77	21,425,408	12,909,821	8,810,104	4,221,134
SME Support	228	20,657,771	6,566,309	3,697,197	2,336,672
Tourism	195	22,062,766	7,737,068	3,043,302	1,875,143
Hertfordshire	46	5,608,182	2,478,636	731,533	359,369
Processing and Marketing of Agricultural Products	2	247,000	84,000		
SME Support	36	4,535,133	2,140,946	731,533	359,369
Tourism	8	826,050	253,690		
Humber	83	10,018,437	3,288,336	1,962,861	1,475,675
Processing and Marketing of Agricultural Products	7	1,248,012	635,348	635,046	542,927
SME Support	29	2,997,852	620,862	251,681	218,892
Tourism	47	5,772,574	2,032,125	1,076,134	713,856
Lancashire	142	21,080,443	8,874,756	3,877,247	2,250,610
Processing and Marketing of Agricultural Products	31	10,488,305	4,104,933	2,160,138	1,218,023
SME Support	57	4,782,328	1,898,596	1,049,424	470,555
Tourism	54	5,809,810	2,871,227	667,685	562,032
Leeds City Region	83	21,913,575	2,400,550	1,163,834	502,921
Processing and Marketing of Agricultural Products	12	3,732,238	198,099	198,099	-

SME Support	17	2,511,874	329,788	154,788	154,788
Tourism	54	15,669,463	1,872,663	810,946	348,132
Leicester and Leicestershire	125	13,770,454	4,778,127	2,058,104	1,610,393
Processing and Marketing of Agricultural Products	13	3,303,538	684,165	382,328	173,956
SME Support	64	5,956,155	2,531,275	1,252,790	1,066,863
Tourism	48	4,510,762	1,562,688	422,985	369,575
Liverpool City Region	16	1,998,294	213,259	206,393	96,593
Processing and Marketing of Agricultural Products	6	1,181,120	213,259	206,393	96,593
SME Support	3	248,600			
Tourism	7	568,574			
New Anglia	225	38,750,340	19,470,391	12,030,120	6,184,112
Processing and Marketing of Agricultural Products	43	14,416,888	10,971,626	6,479,116	3,576,909
SME Support	105	12,708,350	5,169,823	3,671,105	1,576,430
Tourism	77	11,625,101	3,328,941	1,879,899	1,030,772
North Eastern	373	47,921,798	15,290,894	7,219,803	4,597,465
Processing and Marketing of Agricultural Products	26	7,380,239	2,190,709	634,559	43,929
SME Support	166	17,211,814	6,103,447	3,512,310	2,248,297
Tourism	181	23,329,745	6,996,738	3,072,935	2,305,240
Oxfordshire	82	9,270,885	2,597,163	1,174,981	539,356
Processing and Marketing of Agricultural Products	11	1,380,902	177,423	57,423	-
SME Support	36	3,079,062	1,152,539	506,027	305,097
Tourism	35	4,810,921	1,267,201	611,531	234,259
Sheffield City Region	68	10,674,133	4,436,457	2,805,601	1,047,491
Processing and Marketing of Agricultural Products	15	4,602,436	2,565,285	1,571,386	556,058
SME Support	35	3,282,846	1,043,859	687,361	421,313
Tourism	18	2,788,851	827,312	546,854	70,120
Solent	48	4,739,743	2,503,297	1,699,051	458,564
Processing and Marketing of Agricultural Products	11	1,824,050	1,217,827	1,087,449	109,347
SME Support	24	1,321,837	596,856	228,405	29,757
Tourism	13	1,593,856	688,614	383,198	319,461
South East	322	58,479,839	25,879,009	14,686,444	10,451,844
Processing and Marketing of Agricultural Products	96	27,791,238	15,731,624	9,505,285	6,745,932
SME Support	110	14,031,648	4,539,095	1,893,094	1,419,310
Tourism	116	16,656,952	5,608,290	3,288,066	2,286,603
South East Midlands	154	20,655,838	7,235,894	3,824,694	2,464,392
Processing and Marketing of Agricultural Products	24	5,585,779	2,431,939	1,633,227	1,178,831
SME Support	80	8,166,133	2,664,226	1,408,551	755,101
Tourism	50	6,903,927	2,139,729	782,916	530,459
Stoke and Staffordshire	84	9,005,080	3,706,672	2,935,090	712,025
Processing and Marketing of Agricultural Products	10	1,205,800	375,509	194,808	165,586
SME Support	31	2,544,647	429,347	236,354	170,000
Tourism	43	5,254,632	2,901,816	2,503,928	376,438
Swindon and Wiltshire	101	11,946,550	4,245,315	1,428,708	747,320
Processing and Marketing of Agricultural Products	12	2,434,849	359,439		
SME Support	52	5,684,318	2,199,048	890,822	396,155

Tourism	37	3,827,384	1,686,828	537,886	351,164
Tees Valley	38	4,237,221	1,970,739	1,067,379	754,614
Processing and Marketing of Agricultural Products	1	20,000	21,005	21,005	-
SME Support	14	1,485,472	673,322	191,562	191,562
Tourism	23	2,731,749	1,276,411	854,812	563,052
Thames Valley Berkshire	35	5,077,259	1,646,051	287,828	221,337
Processing and Marketing of Agricultural Products	6	1,343,012	463,129		
SME Support	21	2,071,767	1,056,745	287,828	221,337
Tourism	8	1,662,480	126,177		
The Marches Enterprise Partnership	401	45,848,059	15,347,886	9,085,152	5,455,503
Processing and Marketing of Agricultural Products	63	11,088,734	6,520,180	4,477,181	2,855,646
SME Support	105	10,039,867	2,813,277	1,627,213	715,483
Tourism	233	24,719,458	6,014,428	2,980,758	1,884,375
West of England	61	15,224,257	4,259,940	2,959,422	756,125
Processing and Marketing of Agricultural Products	14	2,152,492	1,163,373	1,017,198	298,346
SME Support	15	1,635,725	237,457	112,927	66,587
Tourism	32	11,436,040	2,859,111	1,829,298	391,192
Worcestershire	106	13,023,028	4,755,555	2,237,486	1,504,375
Processing and Marketing of Agricultural Products	15	2,189,742	820,630	242,780	84,472
SME Support	57	6,168,627	2,342,053	1,895,291	1,311,542
Tourism	34	4,664,660	1,592,872	99,414	108,361
York and North Yorkshire	280	49,481,400	20,935,382	11,705,447	8,047,506
Processing and Marketing of Agricultural Products	55	20,812,876	10,841,541	5,420,087	3,903,280
SME Support	84	7,282,712	2,173,571	544,314	-
Tourism	141	21,385,812	7,920,269	5,741,045	4,144,226
Grand Total	5,304	739,152,071	275,089,908	151,234,331	86,043,444