



ESIF 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 of 21 November, under the 3 rounds of the Rural Development Programme for England (RDPE) Growth Programme, a total of £157m had been awarded in grants to 982 projects across the Tourism Infrastructure, Food Processing, Business Development and Tourism Co-operation themes.

Of this £157m, in total £140m has been paid out, contracting 5,489 FTE jobs, of which 4,158 have already been created.

In addition, there are 17 contracts for funding totalling £69m under the Rural Broadband Infrastructure offer. These projects are at varying stages of delivery.

From 1 July 2022, cash payments on a number of RDPE Programme Measures, including those relating to the EAFRD Growth Programme, were switched to domestic funding rather than EU funding. This switch will have no impact on project beneficiaries or on the outputs we have committed to delivering, although we will no longer be reporting these to the European Commission.

While all outstanding projects are contracted to complete and claim by end December 2022, arrangements have been established to enable any projects that have experienced unavoidable supply and/or manpower issues to have extended claim periods up to end March 2023.

EAFRD GROWTH PROGRAMME UPDATE

Total Scheme Delivery Update

1. As of 21st November, £157m of grant funding had been awarded to 982 projects under the three rounds of the RDPE Growth Programme. The Rural Payments Agency completed the contracting stage of the final round of this scheme on schedule in June 2021. All allocated RDPE Growth Programme funding has, therefore, now been committed to projects.
2. Although the number of contracted projects has again dropped since the last report the number is slowing, 10 projects worth £1m have withdrawn from the scheme in the last 3 months. In the current economic climate this is not unexpected and some of this released funding will be used to cover variations on other projects and, as there is no further scope to contract new projects, the remainder will be used to meet wider Programme commitments.
3. Of the £157m that has now been awarded, £140m has been paid to projects, an increase of £7m since the last report. To date, 5,489 FTE jobs have been contracted and RPA records show that 4,158 have been created. This is an increase of 1,194 jobs created since the September update. The significant increase is because the RPA have completed a Post Payment Monitoring exercise to establish accurate up to date jobs created numbers.
4. The main EAFRD Growth Programme has provided funding to projects under four separate Measures within the EU Rural Development Regulations: Measure 4.2 (Food Processing); Measure 6.4 (Rural Business Development); Measure 7.5 (Tourism Infrastructure); and Measure 16.2 (Tourism Cooperation).
5. As noted in the September update since 1 July 2022 EAFRD Growth Programme payments have been made from domestic funding so the figures reported then remain essentially accurate in terms of final EU spend. However, for comparison purposes and completeness, we can say that since the September update, spend has increased by the below for Measures 4.2 (Food Processing); 6.4 (Rural Business Development); 7.5 (Tourism Infrastructure); and 16.2 (Tourism Cooperation).

Theme/Measure	Increase in Spend to Date (Sep-Dec 22)
7.5 - Tourism Infrastructure	£436,826.47
16.2 – Tourism Co-Operation	£0
4.2 – Food Processing	£3,055,306.56
6.4 – Business Development	£3,214,573.26
7.3 – Rural Broadband Infrastructure	£4,455,106

6. In total under EU and domestic funding:
 - a. the Tourism Infrastructure Measure has funded 123 projects, with £27m of grant funding awarded and £23m so far been paid out to projects.

- b. under the separate Tourism Cooperation Measure, which was only offered in Round 1, 12 projects were contracted which have now completed and £601k has been spent
- c. food processing contracts totalling £67m have been awarded to 234 projects. To date spend is £60m
- d. there have been 278 Rural Business Development projects contracted under Measure 6.4, worth £63m. Of this, £57m of funding has been paid to date.

Rural Broadband Infrastructure Fund

- 7. In addition to the four Measures being used under the main EAFRD Growth Programme, a fifth Measure (7.3) is the basis for the Rural Broadband Infrastructure Fund, which is supporting Local Authorities to bring superfast broadband to some of the most remote parts of rural England.
- 8. There are currently 17 live RBIS contracts, totalling £69m. The infrastructure funded is forecast to 'pass' 15,282 business premises and 60,244 other premises, to the benefit of a population of 152,160.
- 9. Projects are now in the delivery stage: eight Local Authorities have made claims and a total of £31m has been paid from EU and domestic funding.
- 10. Some broadband and other projects have indicated delays to project delivery due to shortage of workers with the necessary skills and of some components. We recognise the difficulties in delivering projects in the current economic, supply and manpower climate and we have established a process to enable the RPA to grant limited project extensions to end of 2022/23 where these are necessary and justified.

Emma Friend

24 November 2022

ANNEX 1

Table 1. Rural Broadband infrastructure offer.

As at 21 November	Rural Broadband
Total Budget (£)	79.5
Full Applications received	23
Value of Grant Sought (£m)	86
Number withdrawn/rejected	6
Number Contracted	17
Value of contract (£m)	68.9
Value of grant paid to date (£m)	31
Number Projects closed	-

Table 2. Project outputs to date by theme.

Rounds 1-3	RDPE Growth Programme	Food Processing	Business Development	Tourism Infrastructure and Cooperation
FTE Jobs Forecast	5,489	2,596	1,780	983
FTE Jobs Created	4,158	1,818	983	926

Table 3: Total number of RDPE Growth Programme projects, funding committed and spend by theme as of 21 November 2022.

Theme/Measure	No. of Projects	Funding Committed	Spend to Date
Tourism Infrastructure (M7.5)	123	£27,227,699	£23,277,419
Tourism Cooperation (M16.2)*	12	£601,362	£601,362
Food Processing (M4.2)	234	£66,546,612	£59,616,847
Business Development (M6.4)	278	£62,758,459	£56,908,598
Total	982	£157,134,132	£140,404,227

*Theme offered in Round 1 only.

Figure 1. Growth Programme Rural Broadband Infrastructure Scheme, Round 1, 2 and 3 contracted and spend actual figures 21st November 2022.

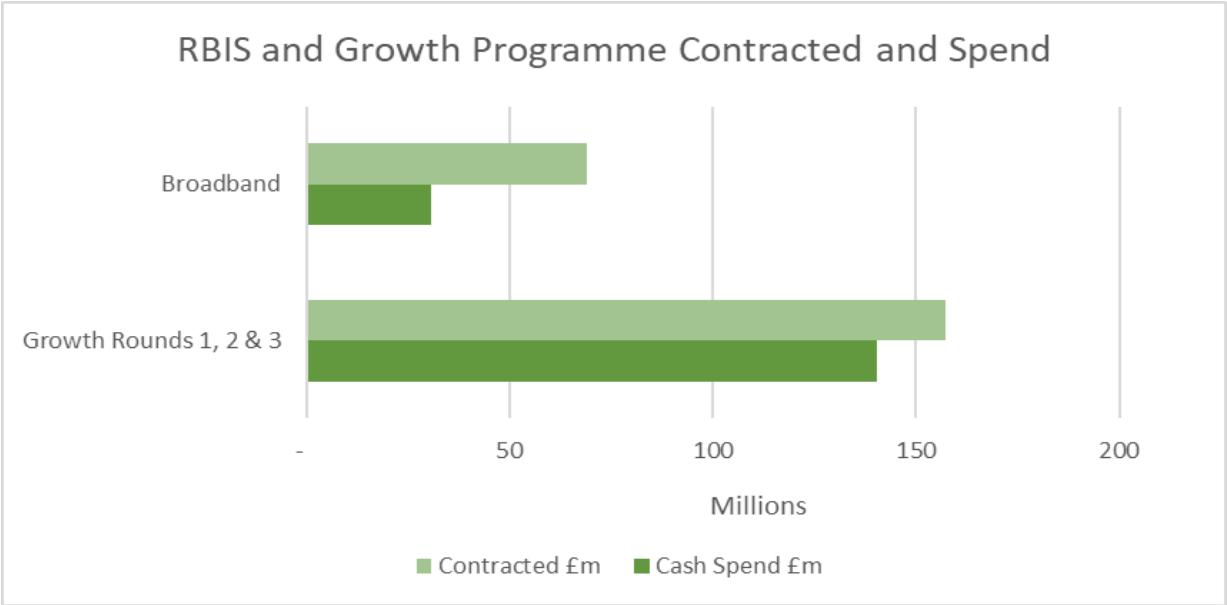


Figure 2: Percentage Growth Programme Spend per Theme as of 21st November 2022.

